

SWEDEN*(1998)***I. Changes to competition laws and policies, proposed or adopted****1. Summary of new legal provisions of competition law and related legislation***A change in legal procedures*

1. Since 1 July 1998 decisions made by the Competition Authority concerning applications for negative clearance, exemptions and obligations may be appealed direct to the Market Court. The aim of this change is that the undertakings involved receive more rapidly than hitherto a final decision on an issue. In connection with the change in legal procedures, 18 cases which had been appealed from 1997 and onwards were transferred from the City court to the Market Court. Parallel with this change in procedure, greater scope was given to the Competition Authority to decide on interim orders.

Changes in time limits

2. The Competition Authority shall make a final decision within a year on applications for exemption.

3. Within four months the Competition Authority must make a decision on whether an application for exemption /negative clearance shall be granted without further action, or whether a more detailed examination should take place.

Extended block exemptions

4. The Government decided to extend the regulations on block exemptions for franchising agreements until the end of June year 2000 as well as for specialisation agreements and agreements on R&D until the end of June year 2001.

2. Other relevant measures, including new guidelines*Evaluating the Competition Act*

5. The Commission investigating the Competition Act continued its work in 1998 and during the summer submitted proposals for changes concerning the examination of acquisitions. The proposals involving closer harmonisation with EC law have in principle been supported by the Competition Authority. A Government Bill to Parliament is expected during 1999.

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II. Enforcement of competition laws and policies

I. Action against anti-competitive practices, including agreements and abuse of dominant positions

a) Summary of activities of

- The Swedish Competition Authority

6. The following table shows the number of new cases registered during 1998 under the Competition Act - mergers, agreements and complaints - and the number of decisions taken during the same period. The total number of cases pending at the end of 1998 amounted to 188.

1998	Registered new cases	Decisions
Mergers	156	165
Notifications for negative clearance or exemptions	57	99
Complaints	160	172
Other cases (inquiries, etc.)	137	126
Total	510	562

7. An important task assigned to the Competition Authority is its consultative role on existing and proposed public regulations. A total of 148 formal opinions were submitted to governmental and public authorities.

Decisions

8. In 1998 the Competition Authority made 562 decisions under the Competition Act. Of these, 99 concerned applications for negative clearance, or exemptions. In 22 cases the Authority determined that there had been no infringement of the Competition Act and thus granted negative clearance.

9. The provisions of the Act for granting time-limited exemptions were fulfilled in 40 cases. The Authority dismissed nine applications. The remaining application cases were either withdrawn or closed for other reasons.

10. The Swedish Competition Authority has required companies to terminate infringements of the Competition Act in six cases. Of these five have been issued under penalty of a fine. In one case an interim decision was issued. The case had not been finalised by the end of the year.

11. The Authority made 165 decisions concerning the acquisition of companies. Two of the acquisitions were approved after further undertakings had been given by the parties.

- Courts

Summons Applications

12. Over the period the Competition Authority initiated legal proceedings in the court of first instance, the Stockholm City Court, in five cases concerning the obligation for companies to pay a fine.

13. In one case the Stockholm City Court at the request of the Competition Authority made the undertakings given by the company subject to the penalty of a fine.

14. The Stockholm City Court has at the request of the Competition Authority decided that the State Railways shall pay a fine of SEK eight million for abuse of a dominant position.

Appeals to the Stockholm City Court

15. During the period 16 decisions concerning applications for negative clearance or exemption were appealed to the Stockholm City Court. At the end of the period, two final decisions on obligations had been appealed. The Stockholm City Court decided in substance 16 cases in which the Competition Authority had made a decision. In 6 of these cases the Authority's decision was annulled or changed. At the end of the period there were 4 cases concerning appeals pending in the Stockholm City Court.

Appeals to the Market Court

17. Ten of the City Court's decisions concerning negative clearance or exemption and obligations were appealed to the Market Court, the final instance of appeal, which over the period made decisions in five such cases.

DECISIONS AND JUDGEMENTS IN THE COURTS 1998			
PARTIES	THE COMPETITION AUTHORITY (KKV)	STOCKHOLM CITY COURT (STR)	THE MARKET COURT (MD)
Telia	28-07-95 Decision under penalty of a fine not to apply certain agreement conditions concerning provision of different telephone services.	18-10-96 KKV decision revoked.	24-02-98 (MD 1998:4) Appeal against STR decision dismissed.
Optiroc Group	19-09-97 Decision prohibiting Optiroc's acquisition of Stråbruken.	19-03-98 KKV petition not granted.	3-7-98 (MD 1998:10) STR decision upheld.
Sweden Post	22-11-96 Decision under penalty of a fine not to apply zonal pricing (4 zones).	3-11-98 KKV decision upheld.	11-11-98 (MD 1998:15) STR decision upheld.
Sweden Post	19-12-96 Decision under penalty of a fine not to apply zonal pricing (2 zones).	11-03-98 KKV decision revoked.	11-11-98 (MD 1998:15) STR decision upheld.

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DECISIONS AND JUDGEMENTS IN THE COURTS 1998 (cont'd)			
PARTIES	THE COMPETITION AUTHORITY (KKV)	STOCKHOLM CITY COURT (STR)	THE MARKET COURT (MD)
Dagen Newspaper Group	29-10-96 Obligation under Article 45 to provide information to KKV.	15-06-98 KKV decision revoked.	25-11-98 (MD 1998:18) STR decision upheld.
Stora Skog, Mo och Domsjö and Munksjö	25-06-96 Dismissed application for negative clearance and did not grant exemption for purchasing co-operation etc in a jointly owned company, Sydved AB.	30-12-97 KKV assessment accepted. A time-limited exemption granted.	18-12-98 (MD 1998:21) STR decision upheld.
Preem Petroleum	16-12-97 Dismissed application for negative clearance and did not grant exemption for competition clause in connection with acquisition of business activity.	Transferred from STR to MD in accordance with new procedure from 1 July 1998.	12-21-98 (MD 1998:22) KKV decision upheld.
Boråstapeter	9-06-97 Dismissed application for negative clearance and did not grant exemption for sales system which limited resellers' freedom of action.	19-01-98 KKV decision changed and negative clearance granted since undertaking changed its agreement.	
EFO	17-05-95 Dismissed application for negative clearance but granted exemption for purchasing co-operation.	17-02-98 KKV decision upheld.	
Sweden Post	8-10-96 Dismissed application for negative clearance for planned introduction of special rates (lower) for certain areas.	11-03-98 KKV decision upheld.	
Svenska Travsportens Centralförbund	21-02-97 Decision under penalty of a fine to terminate prohibition on a bankrupt to enter horses in a race.	7-05-98 KKV decision revoked.	KKV has appealed STR decision.
Storstockholms Lokaltrafik	13-03-96 Decision on negative clearance for representational agreement etc concerning sales of tickets for local municipality owned traffic.	8-05-98 KKV decision upheld.	

DECISIONS AND JUDGEMENTS IN THE COURTS 1998 (cont'd)			
PARTIES	THE COMPETITION AUTHORITY (KKV)	STOCKHOLM CITY COURT (STR)	THE MARKET COURT (MD)
Byggplast & Båtprylar and Hermann Gotthardt	31-03-98 Petition for fines of SEK 40,000 over co-operation to influence suppliers.	5-06-98 KKV petition granted.	
SAS	30-10-96 Petition for fine of SEK 10 million for refusal to sign interlining agreement.	11-06-98 KKV petition granted but fines of SEK 1 million imposed.	KKV and SAS have appealed STR decision.
Telia Mobile (formerly Telia Mobitel)	26-06-96 Obligation not to offer aggregated rebates.	11-06-98 KKV decision upheld.	Telia Mobitel has appealed STR decision.
Nitro Nobel	12-03-97 Petition for fines of SEK 5 million. For granting a reseller advantageous conditions in order to eliminate competition from imports as well as for exclusive purchasing agreements.	22-06-98 KKV petition granted only concerning exclusive purchasing agreement but imposed fines of SEK 200,000.	KKV and Nitro have appealed STR decision.
Municipality of Stenungsund	2-07-98 Petition for fine of SEK 5,000 for abuse of dominant position concerning sales of solarium tickets in combination with swimming.	9-09-98 KKV petition granted.	
Svenska Statoil	20-06-95 Dismissed application for negative clearance and did not grant exemption for joint storage of aviation fuel.	29-10-98 KKV decision revoked and negative clearance granted.	
The State Railways (SJ)	30-01-96 Petition for fine of SEK 30 million for abuse of dominant position concerning tendering for regional railway transport services.	28-12-98 KKV petition granted on grounds of mitigating circumstances imposed a fine of SEK 8 million.	SJ has appealed STR decision.
Swedish Petroleum Institute and its affiliated undertakings.	7-03-95 Dismissed application for negative clearance for company specific figures.	8-12-98 KKV decision revoked and negative clearance granted.	KKV has appealed STR decision.

b) Descriptions of significant cases, including those with international implications

The Market Court

18. The Market Court during 1998 made decisions in six cases, see table on preceding pages.

19. The Competition Authority initiated legal proceedings in the Stockholm City Court concerning a prohibition on the building materials company Optiroc against its acquisition of a competitor Stråbruken.

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The Authority considered that the acquisition would create a harmful dominant position for Optiroc since it would be the only undertaking with a wide range of products. The Authority maintained that the acquisition would give Optiroc approximately 80 percent of certain markets and that competition from imports was insignificant. The City Court did not accept the Authority's view. The Competition Authority appealed to the Market Court, which however upheld the decision of the City Court. The Court attached special importance to potential competition from imports and took into account the need for structural rationalisation.

20. During autumn 1996 Sweden Post announced that it wished to apply differential pricing for distribution of bulk commercial mail to certain places in the country. These places were first divided into three zones, but after the decision of the Authority prohibiting this pricing policy, Sweden Post stated that the places instead constituted a single zone. Since "the other parts of the country" also constituted a zone, the policy was described as a four and two zone pricing policy. The two zone pricing policy was also prohibited by the Authority. In addition, the Competition Authority dismissed an application from Sweden Post for negative clearance for a general right for the undertaking to apply differential pricing for bulk mail to different places in the country.

21. Sweden Post appealed the decision in the City Court which upheld the Authority's decision concerning negative clearance and the four zone pricing policy but dismissed the decision concerning the two zone pricing policy. Both the Authority and Sweden Post appealed the decision concerning the zonal pricing policy to the Market Court, which upheld the decision of the City Court. The Market Court found in its overall assessment grounds for ruling that Sweden Post's actions, especially concerning the announcement of zonal pricing constituted abuse of a dominant position.

22. In addition, the Court stated pricing based on the price lists concerned constituted abuse in principle, but this would not be the case if the price lists could be justified from a cost viewpoint. The Court considered that as regards the two zone pricing policy Sweden Post had shown that the costs of distribution in the zone area were lower than the cost of distribution elsewhere in the country. The Court found that Sweden Post had objective grounds for pricing based on the two zones and that at the time they decided to apply the policy it did not constitute abuse of Sweden Post's dominant position. Concerning four zone pricing, the cost analysis was not reliable. Application of such a pricing policy was thus still considered to constitute abuse of a dominant position.

23. In October 1996 the Authority ordered the daily newspaper "Dagen" to supply information to enable the Authority to determine whether the newspaper had abused its dominant position through its refusal to accept certain commercial advertisements in the paper. The Authority considered that the provisions of the Competition Act were applicable to the contents of advertisements of a commercial nature and which related to purely commercial conditions. The decision was appealed to the Stockholm City Court. The Court, however, accepted "Dagen's" contention that the publisher had only used his basic right laid down in the Freedom of the Press Act to be the sole determiner of the contents of the newspaper and thus revoked the decision of the Competition Authority. The Competition Authority appealed to the Market Court, which upheld the decision of the City Court.

24. The Competition Authority decided in June 1996 not to allow a purchasing co-operation between the forestry companies Stora Skog, Mo och Domsjö (Modo) and Munksjö in the jointly owned purchasing company Sydved. By means of the co-operation, Stora, Modo and Munksjö would have stopped competing over prices when purchasing timber, pulp-wood and cellulose chips as well as when selling timber. The co-operation also prevented suppliers and customers from selling to or purchasing from just one of the undertakings. The case was appealed to the City Court, which ruled in favour of the Authority but granted a time-limited exemption for phasing this out. The decision was appealed to the Market Court, which upheld the City Court's decision.

The Stockholm City Court

25. The Stockholm City Court has made decisions in five cases where the Competition Authority initiated legal proceedings concerning fines, three of which are shown below. All these have been appealed to the Market Court.

26. In 1996 the Competition Authority initiated legal proceedings against SAS for the imposition of a fine of SEK ten million for the company's refusal to participate in an interlining agreement with a much smaller competitor, Nordic European Airways. Such an agreement would mean that the undertakings accept each other's tickets and provide passengers with a wider range of options when choosing an airline. The City Court ruled in favour of the Authority and considered that SAS by virtue of its refusal had abused its dominant position. The City Court imposed fines of SEK 1 million on the grounds that the practice had only been operating for a short period (around 8 months) and that its effects were limited. Both SAS and the Competition Authority have lodged appeals with the Market Court.

27. In 1997 the Authority initiated legal proceedings against Nitro Nobel for the imposition of a fine of SEK 5 million on the grounds that the undertaking had abused its dominant position. The undertaking had used over a six month period a reseller which had been granted more advantageous business conditions than other resellers for the purpose of eliminating competition from imports of dynamite mainly from Germany. Nitro Nobel had also in the view of the Competition Authority abused its dominant position by means of exclusive purchasing agreements. The City Court found in favour of the Authority concerning the exclusive purchasing agreements. Concerning the other parts of the Authority's petition, the Court considered that Nitro Nobel's actions were normal commercial practice, and thus did not constitute abuse of a dominant position. Given this background, the court imposed a fine of SEK 200,000. Both Nitro Nobel and the Competition Authority have lodged appeals with the Market Court.

28. In 1996 the Authority initiated legal proceedings against the State Railways (SJ) for the imposition of a fine of SEK 30 million on the grounds that the undertaking had abused its dominant position. In 1993 SJ had submitted a tender for the provision of transport in the province of Småland which the Authority claimed was less than SJ's variable costs, or at least less than their total costs for the business. SJ's aim was to eliminate or seriously weaken its competitor. The City Court ruled in favour of the Authority's view that the tender was less than SJ's variable costs. A fine of SEK eight million was imposed because, amongst other factors, the abuse occurred shortly after the entry into force of the Competition Act. SJ has appealed the decision.

The Competition Authority

29. The cases presented below illustrate measures taken by the Authority under the Competition Act, and have been chosen on the basis of the following criteria:

- actively counteract harmful restrictions on competition;
- establish guiding principles; and
- affect large groups of consumers and/or are of great importance for the national economy.

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Decisions made by the Authority on the application of the Competition Act, usually apply with immediate effect, and thus have direct effects on the market. This applies even though the decisions may be appealed against.

Anti-competitive co-operation

Co-operation on boat accessories resulted in fines

30. In a complaint to the Competition Authority, it was alleged that two wholesalers had sent a letter to a number of suppliers in order to influence them not to supply boat accessories to low price retailers in the marine trade. The Authority carried out a "dawn raid" on the premises of both companies and found evidence that the companies had met and made agreements to influence suppliers. The aim was to strengthen the position of the two companies - Byggplast and Gotthardt - as exclusive distributors to the marine trade. The behaviour of the companies limited competition in the area. Given the size of the companies and the fact that they admitted the co-operation, the Authority petitioned the Stockholm City Court to impose fines of SEK 40,000 on each of the companies. The City Court found in favour of the Authority.

Floral Distribution Association was required to change its agreement

31. The Competition Authority dismissed an application from Blommogram on introducing a clause prohibiting an affiliate of Blommogram from being members of international floral distribution organisations other than Blommogram. The Authority considered such a prohibition against affiliation with a competing organisation would further strengthen Blommogram's already strong position, whilst the activities of other competing organisations would be weakened. For this reason exemption was not granted.

Selective distribution of computer products permitted

32. The agreement Compaq, the computer company, had over sales and service of computer products contained special criteria for selecting resellers. Sales and service personnel were required to have special competence. There were also conditions for purchasing targets and sales forecasts for resellers and on selection of customers. The Authority considered that the products were so technically advanced that a selective distribution system was justified. Requirements on the competence of sales and service personnel were thus justified if consumers were to get the best possible help and information when choosing products and solving any problems occurring after purchase. The other conditions in the agreement were also acceptable.

Price cartel between different driving schools prohibited

33. Driving schools in the city of Luleå had on three occasions over the period 1995-1997 made an agreement on prices, discounts and other trading conditions to be applied in providing driving instruction for obtaining a licence to drive private vehicles. Such anti-competitive co-operation is a serious infringement of the Competition Act and may have led to higher prices for driving instruction in Luleå than would have been the case with price competition. One of the driving schools had only taken part to a limited extent in the cartel and it is thanks to this school that the Authority was made aware of the cartel. The Authority therefore petitioned for fines to be imposed only on the other driving schools.

Abuse of a dominant position

The state railways, SJ, abused its dominant position

34. The Competition Authority considered that SJ had abused its dominant position with respect to a competitor, Dalatåg. Earlier the undertaking had acted as a subcontractor for SJ, but in 1993 was granted a permit to provide railway transport on the southern part of the Inland line. Dalatåg was forced to participate in a co-operation agreement with SJ, covering other parts of the railway network as well. In these parts, SJ was virtually the only player facing little competition from other undertakings. The agreement between the two undertakings contains provisions on the allocation of freight customers which meant that customers would "belong" to one of the undertakings. Dalatåg was thus prevented from providing transport solutions for certain customers. In its summons application, the Competition Authority claimed that SJ was the dominant player and its competitors were strongly dependent on it, and that because of this it had a special responsibility not to act in a way which would limit competition. The Competition Authority petitioned to have a fine of SEK two million imposed on the undertaking.

Loyalty rebates in the taxi transport sector prohibited

35. The municipality of Strömsund was procuring transport services for the elderly and disabled and school transport by taxi. The municipality had divided the procurement up into a number of different parts to allow more undertakings to submit tenders for different parts of the municipality's total transport procurement. Norra Jämtlands Taxi AB (NJTAB) submitted different tenders to the municipality for parts of the procurement as well as for the whole procurement. A rebate of five percent was offered if the undertaking was awarded the whole of the procurement. Another undertaking, which had insufficient capacity to tender for the whole procurement, submitted a lower tender for part of the procurement. As a result of NJTAB's rebate, it was more advantageous for the municipality to accept the undertaking's tender for the whole procurement.

36. The Competition Authority considered that NJTAB had a dominant position on the market for the provision of taxi services within the municipality. By means of this, the undertaking would in effect be able to prevent a smaller undertaking from becoming a subcontractor to the municipality. The undertaking had abused its dominant position by applying loyalty rebates. The Competition Authority thus ordered NJTAB not to apply the rebate system in a procurement process under penalty of a fine of SEK 50 000.

A municipality infringed the act in its pricing policy

37. A municipal swimming and sports complex in the municipality of Stenungsund, carried out a marketing campaign in October 1994 focusing on its prices and that it had increased its solariums. The pricing policy meant that it would be cheaper to purchase a number of tickets to the solarium including swimming than just purchasing the same number of tickets to go swimming. The municipality's pricing meant that consumers perceived one of the services as being "free". It was difficult for its competitors, small private undertakings to compete on the solarium market. The Authority determined that the municipality had through negligence in its pricing policy abused its dominant position. The Stockholm City Court ruled that the municipality should pay a fine of SEK 5 000.

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Telia threatened other undertakings in the telecom industry

38. Telia has the most expanded infrastructural network in Sweden and occupies a dominant position on the market for telephone subscribers connected to the fixed telephone network. Representatives of Telia have on a number of occasions required two undertakings selling telecommunications equipment and subscriptions from amongst others Europolitan, to terminate their partner agreements with Europolitan, otherwise all co-operation with Telia over the installation of Private Branch Exchanges (PBXs) would cease. The view of the Competition Authority was that Telia's purpose was not only to make it more difficult for its competitor Europolitan in the mobile telecommunications market. In addition it would also strengthen Telia's position on this market, as well as make it more difficult for the two undertakings to act on the market for the sale, installation and servicing of PBXs thus strengthening Telia's position on this market as well.

39. The Competition Authority considered that Telia had abused its dominant position and thus petitioned the Stockholm City Court to impose on the undertaking a fine of SEK 950 000. In assessing the size of the fine, account was taken of the help Telia had provided the Authority in its investigation.

Recycling system attempted to cut out brewery

40. Svenska Returglas 33 cl AB provides the only recycling system in Sweden for 33 cl glass bottles. The undertaking is jointly owned by most of the breweries in the country. In the beginning of December 1998, Svenska Returglas terminated the participation of Nya Banco Bryggerier in the recycling system. In an interim decision, the Authority found that termination of the agreement constituted abuse of Svenska Returglas's dominant position since the termination could not be justified on objective grounds. Svenska Returglas was thus ordered not to terminate the agreement under penalty of a fine of SEK 10 million. The Competition Authority has subsequently withdrawn its order since Nya Banco Bryggerier has been declared bankrupt.

Rebate system preventing competition not permitted

41. Tekniska Verken, a municipally owned undertaking in the city of Linköping, offered its customers during 1998 rebates on district heating, providing they also purchased the whole of their electricity consumption from the undertaking. The Authority examined the rebate conditions and found that Tekniska Verken had exploited its dominant position on the market for district heating and limited competition on the market for electricity. Tekniska Verken was thus ordered under penalty of a fine of SEK one million to cease applying the rebate system.

2. Mergers and acquisitions

Acquisition not implemented after examination

42. Bergman & Beving's (B&B) acquisition of HDF-Paulsson would strengthen their dominance and limit competition on the market for wholesale distribution of iron products. If the acquisition had been completed, B&B's market share would have increased to approx. 80 percent. Competition would have been severely restricted by the strong link through ownership and agreements existing between B&B and the Järnia retailing chain, which is the largest chain of ironmonger resellers in Sweden. The Authority considered taking legal action through the Stockholm City Court in order to prohibit the acquisition. After

being given an opportunity to comment on a memo from the Authority, both parties withdrew their notification and informed the Authority that they would not proceed with the acquisition.

Undertaking given by the Swedish farmers' meat marketing association

43. The Swedish Farmers' Meat Marketing Association (Slakteriförbundet), the Federation of Swedish Farmers (LRF), the Swedish Farmers' Supply & Crop Marketing Association (SLR) and KF Invest AB have together acquired AB Samfod and Goman AB. Both of the undertakings acquired are mainly active in the cutting of meat and processing of meat products. If the acquisition had been completed as originally intended, the Swedish Farmers' Meat Marketing Association, LRF and SLR would have secured a dominant position that could have restricted competition on the market for meat products. In order to avoid further action by the Authority a number of undertakings were given by the Swedish Farmers' Meat Marketing Association, LRF and SLR.

44. The undertakings mean i.a. that the representatives of the Swedish Farmers' Meat Marketing Association would by April 1998 at the latest cease to be represented on the boards of Samfod and Goman, and that the parties would by the end of 2001 have Samfod/Goman listed on the stock exchange, and that the Swedish Farmers' Meat Marketing Association would prior to the listing divest itself of the whole of its ownership of Samfod/Goman. LRF and SLR would also reduce their joint ownership to a maximum of 25 per cent and Samfod/Goman would not co-operate with agricultural co-operatives on allocating products, assigning markets, sales prices and other areas. The different undertakings given under penalty of a fine were decided on by the Stockholm City Court which means that if the Swedish Farmers' Meat Marketing Association breaches the undertakings, it would run the risk of having to pay a fine totalling SEK 60 million.

Undertakings regarding recycling

45. Stena Metall acquired the shares of Gotthard Nilsson from Electrolux. Stena and Gotthard are both active in i.a. the recycling of iron, steel and electronic scrap. They also recycle chlorofluorocarbons from refrigerator and deep freeze units. The part of the acquisition relating to iron and steel scrap has been approved by the European Commission. Since Stena Metall has undertaken to sell its shares in Gotthard RagnSell (electronic recycling) and not have privileged access and representation on the board of Svensk Freonåtervinning, the company carrying out the recycling process, the Authority decided to take no further action with regard to the other products involved in the acquisition.

3. Follow up measures

46. As part of its work of monitoring competition in different areas, the Authority has taken the initiative of examining how its decisions are implemented in the activities of undertakings notifying agreements etc. The decisions followed up mainly concern undertakings given as regards exemptions and acquisitions by the notifying undertaking or obligations and decisions issued by the Authority where the undertaking is not granted negative clearance or exemption or where the undertaking has withdrawn its notification. Decisions are followed up on a regular basis amongst customers and competitors in conjunction with the renewal of applications.

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

47. One of the tasks of the Competition Authority is to propose changes to competition rules and other measures to eliminate obstacles to effective competition in private and public sector activities. The first stage involves analysing information about competition problems which the Authority receives through oral and written complaints from undertakings, private persons and others. In 1998 the Authority had registered approximately 200 complaints. Other important sources are external investigations and contacts.

48. The majority of complaints concern anti-competitive measures taken by an undertaking with respect to others as well as competition problems related to the public sector. Included in the first category are former monopoly players who are alleged to have restricted competition for newly starting companies in deregulated markets e.g. railway transport, postal services and the telecom area, where access to infrastructure is an important feature. The other category of complaints concern state authorities, municipalities, and county councils who have started to operate activities in competitive markets. The background to the complaints are the opportunities these players have of subsidising prices through tax revenues or by securing competitive advantages by virtue of their position as a public body. Another problem area is public procurement.

49. When a competition problem has been identified and cannot be solved through the application of the Competition Act, the Authority proposes solutions in order to secure well-functioning competition for the benefit of consumers. Analyses and proposals are presented in reports, memos and communications submitted to the Government in the first instance. The Authority also submits proposals in statements to the Government or to an agency which wishes to have the Authority's views on proposed changes to the rules. In its work on competition issues, the Authority co-operates closely with a number of other authorities, including the County Administrative Boards.

Regulations

50. In Sweden a great deal of experience has been accumulated from deregulating markets. The results of this process show that it can take a long time before the conditions for well-functioning competition can be established. For this reason it is important to monitor the results of deregulation and when necessary make changes in the rules in order to remedy any undesired consequences. The Competition Authority's reports and analyses of markets covered by regulation or which have been deregulated are carried out mainly on the Authority's initiative or are commissioned by the Government.

IV. Resources of competition authorities

I. Resources overall

a) Annual budget SEK 69.5 million
(equivalent to USD 8,5 million in March 1999)

b) Number of employees (person-years):

economists	53
lawyers	38

other professionals	12
support staff	13
all staff combined	116

2. Human resources (person-years) applied to:
- | | |
|--|----|
| a) Enforcement against anticompetitive practices | 76 |
| b) Merger review and enforcement | 9 |
| c) Advocacy efforts | 6 |
3. Period covered by the above information: 1998.

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

Available in English from the Swedish Competition Authority

The Swedish Competition Authority. Functions and Organisation (1998)

Competition Rules in Sweden. Swedish Competition Authority (1998)

Annual Report 1998 of the Swedish Competition Authority. Abridged version in English

Environment, Trade and Competition. A report from the Swedish Competition Authority, 1998

Parallel Imports - Effects of the Silhouette Judgment. A report from the Swedish Competition Authority, March 1999

Competition on Deregulated Markets - a Follow Up. A report from the Swedish Competition Authority, April 1999