

Unclassified

DAF/COMP(2005)18/28



Organisation de Coopération et de Développement Economiques
Organisation for Economic Co-operation and Development

26-May-2005

English text only

**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE**

DAF/COMP(2005)18/28
Unclassified

ANNUAL REPORT ON COMPETITION POLICY DEVELOPMENTS IN POLAND

-- 2004 --

This report is submitted by the Polish Delegation to the Competition Committee FOR DISCUSSION at its forthcoming meeting (1- 2 June 2005).

JT00185026

Document complet disponible sur OLIS dans son format d'origine
Complete document available on OLIS in its original format

English text only

TABLE OF CONTENTS

Executive Summary	3
1. Changes to competition law and policies proposed and adopted	3
1.1 Summary of new legal provisions of competition law and related legislation and government proposals for new legislation	3
1.1.1 Act amending the Act on Competition and Consumer Protection.....	3
1.1.2 Regulation of the Council of Ministers on procedure in case entrepreneurs' request to the President of the Office of Competition and Consumer Protection to refrain from imposing a fine or to reduce the fine.....	5
1.1.3 Act on procedures in State aid control cases.....	5
1.1.4 Regulation of the Council of Ministers amending the regulation on exemption of specific vertical agreements in the passenger car industry from the prohibition of agreements impeding competition.....	6
1.1.5 Regulation of the Council of Ministers amending the regulation on exemption of specific vertical agreements from the prohibition of agreements impeding competition...	6
1.2 Other relevant measures including new guidelines.....	6
2. Enforcement of competition laws and policies.....	7
2.1 Action against anticompetitive practices, including agreements and abuses of dominant position	7
2.1.1. Summary of activities of:.....	7
2.1.2. Description of significant cases	8
2.2. Mergers and acquisitions	9
2.2.1. Statistics on number size and type of mergers notified and/or controlled under competition laws	9
2.2.2 Description of significant cases	10
3. The role of competition authorities in formulation and implementation of other policies e.g. regulatory reform, trade and industrial policies.	11
4. Resources of competition authorities.....	12
4.1 Annual budget.....	12
4.2 Number of employees.....	13
5. Summaries of and references to new reports and studies on competition policy issues	13

Executive Summary

1. From the perspective of the Office for Competition and Consumer Protection ('The OCCP', 'The Office') the 2004 was the year of extensive preparations and first experiences in being a member of the European Competition Network ('ECN') as well as adapting the Polish law to the European Union's regulations. The 1st of May of 2004 the date of Poland's accession to the European Union coincided with the entering into force of the *EC Regulation 1/2003 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty* reforming the system of competition protection of the European Union, as well as the amendment to the Act of 15th December 2000 on competition and consumer protection ('The Act', 'Act on competition and consumer protection'). The Act in question provides the legal bases for the enforcement of the competition policy in Poland. The amendment secured its full compliance with the requirements of the EC regulation 1/2003 imposing on the President of the OCCP new competence and duties.

2. Becoming part of the ECN implicates for the Polish antimonopoly authority a direct application of articles 81 and 82 of the Treaty establishing the European Community ('The Treaty') in case when a practice limiting competition might affect the trade between the Member States.

3. The abovementioned preparations were executed without prejudice to the regular enforcement activities of the Office, associated with the implementation of the policies within the scope of its competence. As regards its responsibilities in the area of competition protection, in 2004 the Office carried-out numerous proceedings in cases concerning anticompetitive practices as defined in the 2000 Act.

4. As in all previous years the President of the OCCP participated in the meetings of the Council of Ministers, whenever competition policy was on its agenda. Also, the OCCP's activities helped to strengthen market mechanisms, enhance competitive business environment, eliminate monopolistic behaviours and limit infringements of consumer rights.

1. Changes to competition law and policies proposed and adopted

1.1 Summary of new legal provisions of competition law and related legislation and government proposals for new legislation

5. By virtue of the Article 26.8 of the Act on competition and protection the scope of competence of the OCCP's President encompasses *elaboration and submission to the Council of Ministers of the draft legal acts concerning competition restricting practices, development of the competition or conditions for its emergence as well as protection of consumer interests*. Roughly speaking, the adoption of the legal drafts elaborated by the OCCP is a two-stage process. First, these Acts are circulated among the ministries in the process of intra-governmental consultations. Then, they are passed on to the Council of Ministers or the European Committee of the Council of Ministers for their final enactment. In 2004, drafts of the following legal acts were elaborated by the OCCP.

1.1.1 Act amending the Act on Competition and Consumer Protection.

6. The *raison d'être* for the preparation of the amendment to the Act of 15th December 2000 on competition and consumer protection was the need for bringing the Polish competition law in line with the provisions of the *EC Regulation 1/2003 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty*.

7. With Poland's accession to the European Union the Regulation 1/2003 as a binding legal act applied directly in all Member States and became a part of the Polish system of law. It did not have to be implemented in the Polish legal system. Nevertheless it was necessary to make such changes in the Polish antimonopoly act to conduct proceedings of Community range and to cooperate efficiently with the European Commission and the Member States' authorities and not create any legal doubts related to simultaneous application of the community and Polish law.

8. The amendment of the act was published on 16th April 2004 in the Journal of Laws No. 93 item 891.

9. Significant portion of changes introduced in the Act on competition and consumer protection in 2004 resulted from nearly three years of experience in its application. Since 1st May the date of Poland's accession to the European Union the Polish Office of Competition and Consumer Protection has been authorised to independently investigate violations of art. 81 and 82 of the Treaty (unless the case is taken over by the European Commission) pursuant to national procedural regulations.

10. Pursuant to art. 24.1a of the Act the President of the OCCP may also in case of violation of the above mentioned articles impose penalties regulations on entrepreneurs provided in the national.

11. President of the OCCP as the Polish antimonopoly authority has also become part of the European Competition Network and closely cooperates in anti-cartel activities with competition protection offices in other Member States and with the European Commission.

12. Another change introduced in the act concerned the catalogue of persons who might inspect an undertakings in the procedure defined. At present it allows the Commission's representatives to participate in an inspection when the OCCP is inspecting an undertaking on the request of the European Commission investigating violations of art. 81 and 82 of the Treaty. This amended regulation also facilitates the national proceedings enabling persons other than the OCCP or Trade Inspection staff to improve the inspection's effectiveness (e.g. by participation of IT specialists).

13. Furthermore, the President of the OCCP, pursuant to art. 61a, was authorised to inspect (search) undertakings' premises, apartments, transport vehicles e.g. on the request of the European Commission when The Commission is conducting its own investigation pursuant to Community regulations and meets with resistance of the part of an entrepreneur or other persons requested to provide documents, information and other evidence.

14. Since 1st May 2004, if there is a founded suspicion of a serious violation of the act in cases of utmost urgency, particularly if a delay might enable destruction of evidence, it is possible to obtain a search warrant from the Competition and Consumer Protection Court at any time during the proceeding. At present, it allows the authorities to conduct a surprise search, which is particularly important in investigations related to practices limiting competition (particularly in the case of cartels).

15. Introduction of art. 11a to the Act – an analogous provision to the provision included in the Council Regulation – enabled the President of the OCCP to oblige undertakings to refrain from such violations or to take specific actions preventing such violations if the investigation indicates likely anti-competition activities conducted by the entrepreneurs. The purpose of the provision was to improve the Office's operating effectiveness.

16. Introduction of penalty alleviation system in the Polish legal system was particularly important for the Polish antimonopoly authorities. It is modelled after the *leniency system* functioning in the Community law on the basis of art. 103a of the Act and the *Regulation of the Council of Ministers dated May 2004 on the procedure in case of entrepreneur's request to the President of the Office of Competition*

and Consumer Protection to refrain from imposing a fine or to reduce the fine (Journal of Laws of 2004 No. 130 item 1380). The objective of this regulation is to facilitate identification of cartels or anti-competition agreements concluded by undertakings which are of particular importance for the competition. On one hand, art. 101 provides more restrictive penalties for the violation of the Act up to the equivalent of 50 million Euro. On the other hand, art. 103a and art. 103b of the Act introduces a system of alleviating penalties imposed on members of cartels, who voluntarily withdraw from the prohibited agreement and inform the President of the OCCP about it. The previous amount of penalty seemed to be insufficiently severe in the case of serious violations of the Act.

17. The Act restricts some provisions of the previous act e.g. extension of the catalogue of prohibited practices impeding competition to include tendering agreements between the party organising a tender and the bidders.

18. The application scope of the *de minimis* principle was also limited; changes in undertaking concentration control have been introduced. It means that examining concentration application the President of the OCCP verifies whether the planned concentration would not cause a significant limitation of competition on the market, which might comprise e.g. obtaining or strengthening of a dominant position on the market.

19. In addition, the current regulations of the Act do not anymore include the criterion of low market share (up to 20%) that relieved undertakings from the obligation to report concentration plans. It was questioned by the entrepreneurs themselves – the undertakings were obliged to precisely determine market share for the purpose of the submission, while lack of submission, resulting from incorrect market share calculation might result in a fine. Objections against this condition were also reported by OECD (who recommended its deletion from the act). Analogous criterion is absent from Community regulations.

20. Pursuant to art. 29a a Council for Good Business Practices – an opining-advisory body for the President of the OCCP – was formed, which was charged with continuous monitoring of antimonopoly law application and taking actions in order to effectively protect consumers and businesses against unfavourable market phenomena.

1.1.2 Regulation of the Council of Ministers on procedure in case entrepreneurs' request to the President of the Office of Competition and Consumer Protection to refrain from imposing a fine or to reduce the fine.

21. Art. 103a and 103b of the Act on competition and consumer protection introduces a leniency system for participants in prohibited agreements (cartels) who voluntarily refrain from implementing the prohibited agreement and inform the President of the OCCP about the agreement. The objective of this system is to improve identification of the most harmful impediments to competition such as cartels, e.g. leading to price increases and worsening quality of goods and services with negative consequences for other undertakings and consumers. The purpose of the Regulation is to implement necessary procedures used in filing, accepting and examining requests for alleviation of penalties for participation in cartels.

1.1.3 Act on procedures in State aid control cases.

22. Since Poland's accession to the European Union, aid provided to undertakings is assessed in terms of compliance with the single market principles. At present the European Commission supervises provision of public aid to undertakings in Poland.

23. In May 2004 the Act of 27th July 2002 on eligibility terms and supervision of public aid provided to entrepreneurs (Journal of Laws No. 141 item 1177 as amended) was replaced with the Act of 30th April 2004 on procedures in State aid control cases. After the accession the intention to provide public aid to

undertakings must be reported to the European Commission in the form of a project of aid scheme or ad hoc aid (individual aid). The new act includes regulations defining methods of cooperation between entities providing aid, developing aid programmes, aid beneficiaries and other interested entities and the President of the OCCP and the European Commission. These changes also covered issues related to monitoring of public aid provided to undertakings in Poland. On the basis of the act of 30th April 2004 on procedures in State aid control cases 8 regulations were issued which detail primary reporting duties of entities providing public aid and its beneficiaries as well as information provided to the President of the OCCP in order to issue opinion about the planned public aid and to notify the European Commission about it.

24. The Act was published on 30th April 2004 in the Journal of Laws No. 123 item 1291.¹

1.1.4 Regulation of the Council of Ministers amending the regulation on exemption of specific vertical agreements in the passenger car industry from the prohibition of agreements impeding competition.

25. Regulation implements delegation included in art. 7 of the Act on competition and consumer protection. It exempts some agreements concluded between car suppliers and distributors from the general prohibition of anticompetitive practices. In addition, it clearly identifies absolutely prohibited agreements which are particularly harmful to the competition. The objective of this regulation is to develop suitable conditions for the development of competition on the passenger car distribution, spare parts and car service market, consequently providing better purchase terms to consumers. Aforementioned regulation was amended by exempting agreements concerning motorcycles from its scope.

26. The regulation was published on 1st February 2004 in the Journal of Laws No. 14 item 116.

1.1.5 Regulation of the Council of Ministers amending the regulation on exemption of specific vertical agreements from the prohibition of agreements impeding competition

27. The purpose of this amended regulation, in force since Poland's accession to the European Union, was to ensure systemic coherence of the regulations in the scope of exemption of vertical agreements from the prohibition of competition impeding agreements.

28. The regulation was published on 21st April 2004 in the Journal of Laws No. 95 item 951.

1.2 Other relevant measures including new guidelines

29. The Article 27.3 of the Act on competition and consumer protection equips the President of the Office with an authority to issue guidelines for the entrepreneurs with an aim to explain the most complex notions of the Polish competition law, thus providing the President of the Office with an extremely effective tool for conducting the advocacy policy. In the year 2004 the President of the OCCP elaborated the following three publications on the newly introduced regulations aimed at a better informing of entrepreneurs: *Leniency*, *Prohibition of competition limiting practices*, *Selected issues of competition policy*.

30. In addition, it ought to be mentioned, that the Department for Legal Affairs and Jurisprudence on daily bases provided explanations to the queries of the entrepreneurs concerning the interpretation of the provisions of competition law.

¹ For more information see point 55 page 17.

2. Enforcement of competition laws and policies

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

2.1.1. Summary of activities of:

Office of Competition and Consumer Protection

31. In 2004 the OCCP launched 354 proceedings in the cases concerning anticompetitive practices. As of 31st December 2004:

- 201 proceedings were closed;
- 153 proceedings were still pending.

32. As a result of the aforementioned proceedings, in 2004 the President of the Office issued 152 decisions concerning the anticompetitive conduct. The bellow table shows the detailed break-down of the President's decisions issued in cases concerning the three categories of the anticompetitive conduct i.e. the vertical agreements, the horizontal agreements and the abuse of dominant position.

Structure of the decisions issued by the President of the OCCP in 2004

type of decisions type of practice	decisions finding the practice to be in breach with the competition law	decisions finding the practice to be in compliance with the competition law	decisions refusing the initiation of the competition proceedings	decisions discontinuing the antimonopoly investigation	decisions finding the practice to be desist
horizontal agreements	8	3	1	2	2
vertical agreements	6	2	0	1	1
abuse of dominant position	45	31	31	10	9

Court of Competition and Consumer Protection:²

33. In 2004 the Court of Competition and Consumer Protection ('CCCCP') issued a total of 131 judgments concerning the appeals from the decisions of the OCCP's President. In 108 cases the President's decision was sustained, and in 23 cases the court overruled or changed the decision of the President

² The Court of Competition and Consumer Protection hears the appeals from the decisions of the President of the OCCP, as well as those issued by the sectoral regulators.

Supreme Court

34. In 2004 the Supreme Court issued total of 31 judgments in respect of the competition cases. In 19 cases the Supreme Court upheld the decision of the OCCP's President. In 6 cases the decision of the President were overruled.

2.1.2. *Description of significant cases*

Horizontal agreements:

35. In 2004 the OCCP conducted two antimonopoly proceedings on the basis of the articles 81 and 82 TWE, where the Polish and the Community law was applied.

36. The first proceeding concerned a possible agreement between the majority of banks in Poland issuing cards in Visa and Mastercard systems, which could affect trade between the Member States. The purpose of the agreement was a joint fixing of rates of the interchange fee charged on transactions performed with cards in Visa and Europay/Eurocard/Mastercard systems on the market of services related to regulating consumers obligations towards the merchants of payments for products and services purchased with a payment card on the territory of Poland.

37. The proceedings are conducted to determine whether the agreement constitutes an infringement of the art. 5.1.1 of the Act of 15th December 2000 on competition and consumer protection and the art. 81.1 of the Treaty establishing the European Community. They are still in progress.

Abuse of dominant position:

38. One of the most significant cases dealing with an abuse of dominant position launched in 2004, was the investigation on PKP Cargo – railway transport carrier. The President of the OCCP in his decision emphasized the anticompetitive nature of the following contractual provisions present in the long-term agreements of PKP Cargo with entrepreneurs:

- to refrain from competitive activities (within groups of goods subject to the agreement), aiming towards conducting activity within the scope of railway freight transport;
- when transporting goods, which are defined in the annex to the agreement, to use services of PKP Cargo S.A. exclusively;
- when transporting commodities other than the ones mentioned in the annex to the agreement,
- to use transport services offered by PKP Cargo on the basis of preferred choice;
- acceptance of the decision stating that a breach of contractual provisions mentioned above shall constitute grounds for terminating the agreement by PKP Cargo, without notice.

39. The proceeding ascertained that these agreements had a great effect on the relevant market by reducing the number of entities transporting freight by rail, dominating the access to the railway transport of goods, being able to control most railway freight transport in Poland. Besides that, PKP Cargo effectively postponed the creation and development of competition within the railway freight transport market and decided, which of the entities shall be competitive.

40. The decision of the President of the OCCP is still not valid. Due to the PKP Cargo's appeal the case is being diagnosed by the Court of Competition and Consumer Protection.

41. The second proceeding involved a possible infringement of the art. 8 par. 2 pt. 5 of the Act of 15th December 2000 on competition and consumer protection and the art. 82 of the Treaty by Telekomunikacja Polska S.A. (TP S.A.). TP S.A. hindered the access to the IP transfer of an adequate quality by external transit to the Internet Service Providers exercising an economic activity on the territory of Poland. The Internet Service Provider (ISP) intending to grant access to the Internet to its users can join with other operators of a similar size on the basis of a free-of-charge exchange of traffic (peering) or sign an agreement where another ISP would carry the traffic on his behalf (transit). The proceeding seems to prove that TP S.A. does not apply the peering policy to the Polish operators and thus forces them to purchase a very expensive transit connection. Apart from this, the incumbent (TP S.A.) probably intentionally uses a discriminative restriction of data transfer in the net.

42. Due to all the abovementioned, the actions of Telekomunikacja Polska S.A. may affect trade between the Member States, because they force the Polish ISP's to the resignation from the services offered by foreign subjects. In the OCCP's opinion it may be an anticompetitive practice aimed indirectly at the foreign operators who offer lower and more balanced prices.

43. The proceeding is still in progress.

44. Another interesting abuse-of-dominant-position investigation was launched in 2004 against Telekomunikacja Polska S.A. in relation with independent internet providers. In this case Netia S.A. accused Telekomunikacja Polska S.A. of hindering customer's access to long-distance and international services provided by Netia S.A. on pre-selection principles and preventing conditions necessary for development of competition.

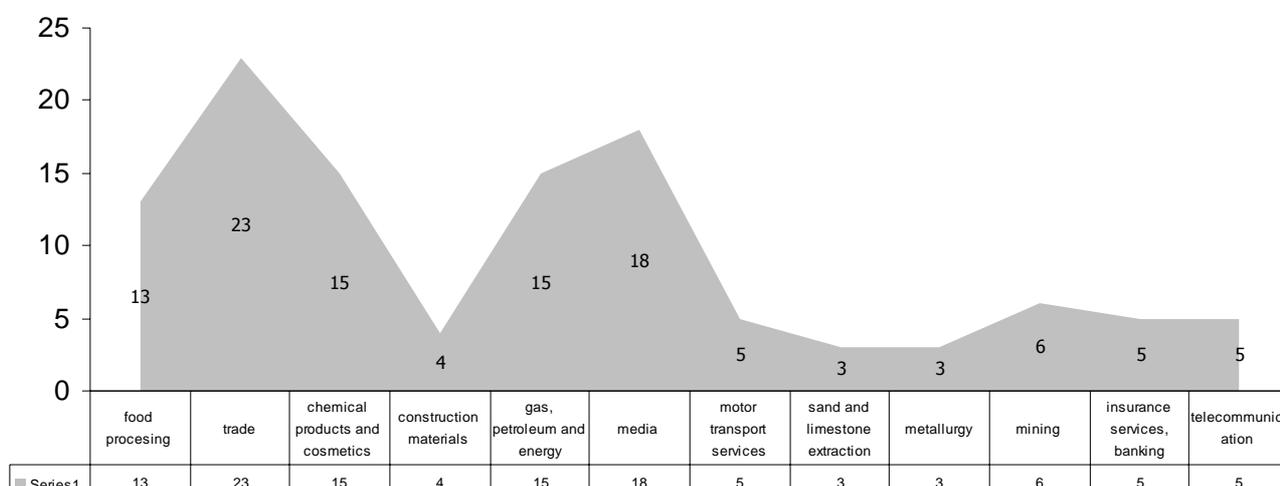
45. Aforementioned decision is still not valid.

2.2. *Mergers and acquisitions*

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

46. In 2004 the President of the OCCP issued a total of 256 concentration decisions. In 175 cases the President approved the concentration. In case of 1 acquisition the conditional approval was issued. In 2004 one concentration was forbidden by the President of the OCCP.

Concentration cases closed in 2004 (by sector)



2.2. *Description of significant cases*



47. On 30th September 2004 the President of the OCCP consented to direct takeover (art. 12.2.2 of the Act on competition and consumer protection) by Quattro Management Sp. z o.o. in Warsaw of Trinity Management Sp. z o.o. in Warsaw managing Jupiter Narodowy Fundusz Inwestycyjny S.A. and of Pekao Usługi Korporacyjne S.A. in Warsaw, comprising:

- purchase of Trinity Management Sp. z o.o. in shares by Quattro Management Sp. z o.o. from Bank Polska Kasa Opieki S.A. in Warsaw,
- purchase of Pekao Usługi Korporacyjne S.A. in stocks by Quattro Management Sp. z o.o. from Bank Polska Kasa Opieki S.A. in Warsaw,

According to the antimonopoly authority the impact of the aforementioned concentration on the market position of the concentration participants was insignificant (no proper markets which the concentration would affect) and their market position on any of the product markets on which they operate in Poland should not strengthen.

48. On September 15th 2004 the President of the OCCP consented to direct takeover of control by CA IB Fund Management S.A. in Warsaw ("CA IB FM") over the following companies: PZU NFI Fund Management Sp. z o.o. in Warsaw ("PZU NFI FM"), Drugi Narodowy Fundusz Inwestycyjny S.A. in Warsaw ("Drugi NFI"), Narodowy Fundusz Inwestycyjny Progress S.A. in Warsaw ("NFI Progress") and Narodowy Fundusz Inwestycyjny im. E. Kwiatkowskiego in Warsaw ("NFI im. E. Kwiatkowskiego") comprising:

- purchase by CA IB FM shares in PZU NFI FM;
- purchase control package in Drugi NFI and obtaining of decisive impact on the composition of supervisory and management bodies of Drugi NFI by CA IB FM;
- purchase of control package in NFI Progress nominal capital and obtaining of decisive impact on the composition of supervisory and management bodies of NFI Progress by CA IB FM;
- purchase of control package in NFI im. E. Kwiatkowskiego nominal capital and obtaining of decisive impact on the composition of supervisory and management bodies of NFI im. E. Kwiatkowskiego by CA IB FM.

Pursuant to art. 25.1 of the NFI act the managing company may not provide management services to two or more funds or be a stockholder of a fund to whom it provides management services at the same time without a prior consent of the President of the Office of Competition and Consumer Protection.

49. The OCCP decided that aforementioned transactions would not increase concentration on the markets on which the companies of leading NFI portfolio operate and managed by PZU NFI FM whose dominant entity CA IB FM intends to become.

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

50. The activities carried out by the OCCP with an aim of influencing other policies, might be roughly divided into two categories i.e. Office's opining activities in regard of drafts of the legal acts prepared by other ministries and participation of the OCCP's employees in the activities of various governmental as well as parliamentary working groups and committees.

51. The procedural mechanisms for drafting legal acts by the Polish governmental institutions provide for an obligation to consult all drafts with any other governmental agency, which activities might be affected by the would-be law.

52. In 2004 total of 3480 drafts of legal acts were opined by the OCCP. When making its comments the OCCP puts an emphasis on consistency of those acts with competition law, including the State aid law, as well as issues related to protection of consumers' interests. Among others, the opinions were issued in case of:

- Draft of the act amending the act on organisation and functioning of pension funds, act on the social insurance system, act on State Treasury's takeover of liabilities from Social Insurance Institution resulting from not transferred premiums to open pension funds and the act on employee pension schemes.
- Draft of the act on public trust professions
- Draft of the act on large-area commerce centres
- Regulations implementing the act on public-private partnership
- Drafts of regulations of the Minister of Infrastructure on: homologation of motor vehicles having two or three wheels, certain motor vehicles having four wheels and motor bicycles, homologation of cars and trailers, homologation of farming tractors and trailers.

53. As a way of illustration, in reference to the *draft of the act on large-area commerce centres*, the OCCP issued a negative opinion in regard to the provision of the discussed act, which according to the President of the OCCP if adopted presented numerous administrative barriers hindering activities related to operation of this type of business establishments. Also freedom of economic activities is being unfairly limited in the scope of development of new commerce facilities and therefore competition is being limited. Rationing of this sphere of undertakings' activities would create barriers in the market access.

54. Accusations against the draft were taken into account in the governmental position prepared by the Minister of Economy and Labour.

55. In case of the *Draft of the act amending the act on organisation and functioning of pension funds, act on the social insurance system, act on State Treasury's takeover of liabilities from Social Insurance Institution resulting from not transferred premiums to open pension funds and the act on employee pension schemes*: the President of the OCCP questioned these solutions indicating that cancelling of settlements units accumulated on an account of a member of an open pension fund in favour of the open pension fund might constitute unfounded acquisition of wealth (art. 405 of the Civil Code) and violates the constitutional principle of protection of property and the inheritance rights, which scope is defined in the Civil Code. The OCCP's opinion was largely taken into consideration.

56. On 1st May 2004 there were introduced fundamental changes in the legal regulations on the scope of public aid. Due to the accession, the act of 27th July 2002 on eligibility terms and supervision of public aid provided to entrepreneurs (Journal of Laws No. 141 item 1177 as amended) which defined the public aid eligibility terms and supervision principles was waived. On 31st April a new *Act of 30th April 2004 on public aid proceedings* (Journal of Laws No. 123 item 1291) entered into force regulating proceedings in cases relating to public aid on national level.

57. Depriving the President of the OCCP of competence of the supervising authority has not influenced the number of cases realized by the OCCP. The Office evaluates the compliance of projects of aid scheme and individual aid (granted on the basis of a decision or a contract) with the common market, as well as expresses its position in relation to the obligation to notify these projects to the European Commission. Therefore, after 1st May 2004 the number on interpretation inquiries to the OCCP has increased.

58. In 2004 the OCCP issued **540** opinions including **471** before the accession, and **79** opinions after accession: **70** dealt with projects of aid scheme and **9** with individual aid projects.

59. In January 2005 in Poland there were 37 national State aid programs which are compliant to the Community law. Simultaneously, 23 further projects of aid scheme and 20 individual aid program projects were notified to the European Commission and await EC' s decision.

60. In addition, the Office actively participated in establishment of the national State aid monitoring system. The OCCP also elaborated analysis concerning the State aid granted. The most important document was "*The Report on public aid granted to the entrepreneurs in 2003*".

61. Additionally, there have been undertaken works on a computer system SHRiMP aimed at a more precise monitoring and facilitating of the procedures of the control of public aid in Poland, as well as providing coordination of the activities undertaken by the entities granting aid and others subject to the regulations of the of Act of 30th April 2004 on proceedings in matters relating to State aid.

4. Resources of competition authorities

4.1 Annual budget

Annual budget of the OCCP between 2003 and 2004

	2003		2004	
	PLN	EURO ³	PLN	EURO
Office of Competition and Consumer Protection of which:	34.679.000	7.348.335	26.630.657	6.372.037
OCCP	20.256.000	4.846.744	21.108.000	5.050.000
Trade Inspection	7.854.000	1.879.262	8.132.000	1.945.000
Allocation for NGOs	2.200.000	526.000	2.200.000	526.000

³ EUR rate published by National Bank of Poland on 06.05.2005: 1 EUR = 4.1793 PLN

4.2 Number of employees

Employment in the OCCP between 2003 - 2004 (as of 31st Dec. 2004)

	2003		2004	
	Absolute Val.	Percentage Val.	Absolute Val.	Percentage Val.
Total	259	100,0%	274	100,0%
Economists	63	24,3%	47	17,15%
Lawyers	124	47,9%	159	58,02%
Other professions	73	28,2%	68	24,8%

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

62. In 2004 the OCCP elaborated 24 reports, information brochures and leaflets. Among them the most important ones were: *Leniency*, *Prohibition of competition limiting practices*, *Selected issues of competition policy*.

63. In May 2004 the OCCP Market Analysis Department elaborated a complex report on restrictions of competition in the sector of liberal professions which comprises lawyers, legal advisers, notaries, tax-advisers and pharmacists. The investigation was also influenced by the European Commission's recommendations on reviewing restrictive regulations in this sector.

64. Other reports prepared by the OCCP (or with cooperation of other institutions) involved:

- a prognosis of price changes after Poland's accession to the European Union;
- two consumers' surveys on press and cable television markets. The results of these studies constituted an additional evidence material in the concentration and antimonopoly proceedings;
- a study on the mobile telephone market conducted with reference to an adjudication for new frequencies which could affect the state of competition in this sector;
- market analyses of insurances for travel agencies;
- market analyses of fertilizers;
- market analyses of liquid gas;
- market analyses of the national Press distribution;
- a report on the state of competition on the market of coupons, the results of which are used in the works regarding the amendments to the Act on unfair competition.

65. Presently, the OCCP is working on a report concerning the results of an analysis of the market of metallurgic products investigated due to various complaints on the increase of prices.