

Unclassified

DAF/COMP/AR(2015)15

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

26-May-2015

English - Or. English

Directorate for Financial and Enterprise Affairs
COMPETITION COMMITTEE

DAF/COMP/AR(2015)15
Unclassified

ANNUAL REPORT ON COMPETITION POLICY DEVELOPMENTS IN ISRAEL

-- 2014 --

15-19 June 2015

This report is submitted by Israel to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 15-19 June 2015.

JT03377135

Complete document available on OLIS in its original format

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

English - Or. English

TABLE OF CONTENTS

Executive Summary	3
1. Changes to competition laws and policies	3
1.1 Summary of new legal provisions	3
1.2 Summary of New Guidelines	4
2. Enforcement of competition laws and policies	5
2.1 Actions against anticompetitive practices	5
2.1.1 Summary of main activities	6
2.1.2 Criminal Cases.....	8
2.1.3 Monopolies and collective dominance	9
2.2 Mergers.....	9
2.2.1 Statistics on merger review.....	9
2.2.2 Summary of significant merger cases.....	10
3. Key Advocacy Activities	11
3.1 IAA's conferences.....	12
3.2 IAA's publications	12
4. International cooperation.....	12
5. Resources of the IAA.....	13

Executive Summary

1. This report summarises recent developments and changes in Israel's competition law and policy and overviews some of the main enforcement activities of the Israeli Antitrust Authority (hereinafter – IAA) according to the Restrictive Trade Practices Act, 5748-1988 (hereinafter – “Antitrust Act”) for the period of January 2014 through December 2014.

2. The IAA is an independent government enforcement agency established in 1994 under an amendment to the Antitrust Act. Its mandate includes preventing market power through merger control and prohibition of restrictive agreements, preventing the abuse of a dominant position, regulation of collectively dominant firms, advising the government and the legislator in Israel regarding the competitive implications of their actions, and enhancing competition in the various markets in Israel. An Antitrust Tribunal, residing within the District Court of Jerusalem, has exclusive jurisdiction over non-criminal regulatory antitrust proceedings. The District Court of Jerusalem has exclusive jurisdiction over criminal antitrust matters. Both criminal and civil antitrust rulings are subject to appeal before the Supreme Court of Israel.

3. In the period covered by this report, the IAA acted to protect and promote competition in various sectors of the economy through proactive enforcement of the Antitrust Act -- with a strong emphasis on the prevention of abuse of dominance, in merger control, promotion of legislative amendments, and advocacy efforts.

1. Changes to competition laws and policies

1.1 Summary of new legal provisions

4. During 2014, the IAA initiated and promoted, via intensive advocacy efforts and together with other government agencies, the following legislative amendments:

- In March 2014 the Antitrust Act was amended and the statutory exemption for certain agricultural restrictive arrangements was substantially narrowed. Before the amendment, wholesalers of agricultural products who are not farmers were exempt from the prohibition of restrictive agreements. According to the amendment, which came into force on March 26th 2015, the statutory exemption will apply only to farmers with respect to their produce or produce of same kind and their produce. An arrangement between a farmer and a purchaser of the farmer's produce will also continue to be exempt under certain conditions.
- The Antitrust Act was also amended in November 2014. In this amendment, the Antitrust Tribunal was given the authority, upon the Director General's request, to order a monopoly or a member of a collectively dominant group, to sell an asset it holds, if this could prevent the risk of substantial harm to the competition or public. With respect to a member of a collectively dominant group, the said procedure could be carried out also if selling the asset could significantly enhance competition among the members of the collectively dominant group or in their market. Furthermore, the exemption of mutual exclusivity agreements was abolished. In the past, such agreements between a purchaser and a seller were exempt, subject to certain conditions. This amendment will come into force in August 2015.
- In March 2014 the Law for the Promotion of Competition in the Food Sector, 5775-2014 ("The Food Law") was enacted. The Food Act, effective as of January 2015, is intended, inter alia, to regulate the activities of suppliers and retailers in the food industry. The Director General was given the authority to enforce two main aspects in this Act: (a) A code of conduct for the relationships between retailers and suppliers that is stricter and less ambiguous than ordinary

antitrust rules, and (b) reducing geographic concentration in the retail markets. In order to implement the geographic concentration aspect, the IAA conducted and published a market study that mapped the relevant geographic food retail markets. The IAA outlined all geographic "areas of demand" throughout the country, which are used to determine the market share of retailers' sales in a relevant area. According to the new Act, in order to prevent large retailers from increasing market power and deterring entry through proliferation of an area with its own branches, the Director General can block the establishment of new branches by a retailer that already has a substantial share of the relevant geographic market. Towards January 2015, when the law entered into force, the IAA organized a series of meetings and conferences with different market players, and published guidelines intended to guide and clarify the new law.

- In March 14, the Antitrust Act was amended so as to enable the IAA to conduct market studies. The amendment provides the Director General with the authority to conduct market studies in sectors of the economy, including examination of the existence of competition failures and barriers to competition. The Director General may submit his reasoned conclusions and recommendations to the minister responsible for the sector examined and to the Minister of Treasury, and in a sector that is regulated by another agency – also to the head of that agency.

1.2 Summary of New Guidelines

5. Publication of guidelines and proposed guidelines by the Director General:

- On April 2014, the Director General published Opinion 1/14: the prohibition on Charging an Excessive Price by a Dominant Firm.

This is a final policy document which, for the first time, outlines how the IAA will enforce the prohibition of excessive pricing by dominant firms. The document describes in detail how to assess whether a price charged by a dominant firm is excessive and the legal and economic criteria that help the dominant firm adapt its pricing behaviour so as not to violate the prohibition. It also outlines the considerations that the IAA will take into account when enforcing the prohibition.

Although the Antitrust Act includes a prohibition of unfair pricing by dominant firms similar to the prohibition in the EC, the IAA has not enforced this prohibition until April 2014. The guidelines declare that the prohibition will be enforced starting their publication, via administrative fines.

In order to provide dominant firms with more certainty, the guidelines create a safe harbor: When the difference between the dominant firm's price and its relevant costs, calculated according to the guidelines, does not exceed 20%, the IAA will refrain from intervening against the dominant firm for violating the prohibition.

- In May 2014, the Director General published Opinion 2/14: Disclosure of Information between Competitors as part of the Due Diligence Process.

These guidelines define what competitively sensitive information is and give parties to a transaction tools in order to help manage the due diligence process in a manner consistent with the antitrust laws.

According to the guidelines, it should be clarified in advance, before exposure, what part of the revealed information is competitively sensitive and special rules will apply to sharing this information.

- In September 2014, the Director General published Opinion 3/14: Regarding Trade Associations and their Activities.

The guidelines stress that legitimate activities of a trade association, which are not likely to prevent or reduce competition, may have many positive outcomes for the industry and consumers. However, a trade association connects competitors, and as such it may serve as a platform for collusion and other violations of antitrust law.

In the new guidelines, the Director General refers to a series of aspects and conducts regarding trade associations that may raise competitive concerns, including, inter alia, the way to conduct meetings among competitors; instructions and recommendations the trade association publishes among its members; collection, maintenance and dissemination of information by associations; and other activities the association or other combinations of competitors are involved in such as joint appearances or submissions vis a vis government agencies.

In the guidelines, the Director General stated that following the instructions detailed in the Opinion will be presumed as a best practice regarding the conduct of a trade association.

- On August 2014, the Director General issued draft guidelines with regard to public statements that may harm competition. In the draft guidelines, the Director General stated that public statements and publications can damage competition in a manner similar to statements and agreements that are exchanged privately, and clarified that the fact that managers and companies make these statements publicly does not in itself grant immunity from the Antitrust Act.

2. Enforcement of competition laws and policies

2.1 *Actions against anticompetitive practices*

6. Severe antitrust violations of the Antitrust Act may be subject to criminal prosecution that may result in fines and prison sentences. Liability is imposed on the corporation and its executives.

7. The civil and administrative remedies for infringements of the Antitrust Act include financial sanctions, consent decrees, injunctions and court orders granted by the Antitrust Tribunal. The Director General has the power to declare an activity as prima facie illegal, to issue rules of conduct to monopolies and to collectively dominant groups, and to impose administrative fines. In criminal cases, the antitrust authority can prosecute violators.

8. The Antitrust Act stipulates that the concentration of more than half of the total supply or acquisition of an asset, or more than half of the total provision or acquisition of a service, in the hands of one person, is considered a **Monopoly**.

9. The Act defines firms as “**collectively dominant**” when a small group of firms possesses collectively more than half of the total supply or acquisition of an asset, or more than half of the total provision or acquisition of a service, if the following two conditions are met: (1) there is little competition between firms, or there are conditions for little competition; and (2) provisions issued by the Director General may prevent harm or a probable substantial harm to the public or to competition, or may substantially enhance competition or create conditions for considerable enhancement of competition.

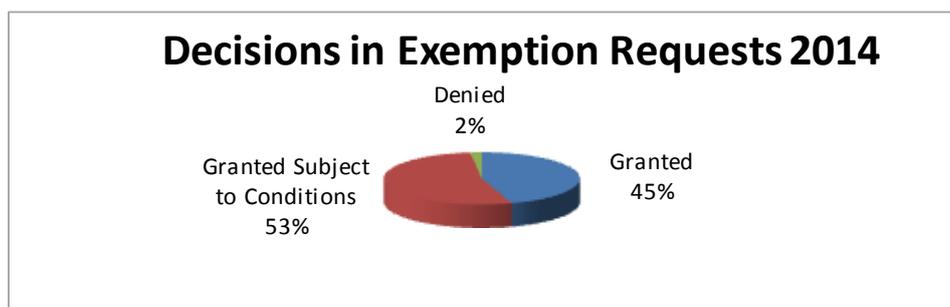
Conditions for little competition can include, inter alia, barriers to entry, combined with two or more of the following conditions: Switching costs, cross ownership or joint ownership among competitors, symmetric market shares, similarity of products or services, a large number of customers or suppliers, transparency of the main terms of trade among competitors.

10. The Act defines a “**restrictive arrangement**” broadly as an arrangement made between two or more persons conducting business that limits at least one party to the arrangement in a manner that may prevent or reduce the competitive process. The Act also provides a list of per se prohibitions. In particular, an arrangement involving a restraint relating to one of the following issues shall be deemed to be a restrictive arrangement: the price to be demanded, offered or paid; the profit to be obtained; division of all or part of the market; the quantity, quality or type of assets or services in the business.

11. Engagement in a restrictive arrangement without prior authorisation of the Antitrust Tribunal or any other temporary authorisation is prohibited, unless the arrangement was specifically exempted by the Director General or in case it was covered by a block exemption, or covered by the exemptions included in section 3 of The Act, such as restraints imposed by law, agricultural produce (subject to certain conditions), and intellectual property licensing. During 2014, the Director General handled exemption requests as follows:

Total number of Exemptions	Granted	Granted Subject to Conditions	Granted subject to other conditions	Granted subject to Behavioral and Structural Conditions	Granted subject to Structural Conditions	Granted subject to Behavioral conditions	Denied
1	27	23	2	3	1	21	51

12. In many cases, after the antitrust authority expresses concerns regarding a restraint of trade, the parties to it withdraw their application. In December 2014, the IAA amended its guidelines with regard to lending consortia agreements, and held that if the two largest banks in Israel, Leumi and Hapobalim, are both parties to the consortia agreement, it requires prior approval.



2.1.1 Summary of main activities

13. The IAA devotes extensive efforts and resources to enforcement against anticompetitive practices in a wide range of industries. The following illustrates some of the main enforcement activities:

14. The Director General was successful in advocating a report introducing debit cards into the Israeli credit card market, so as to substantially reduce the costs of merchants and raise the efficiency of payment systems in Israel. The IAA's market study on this subject was adopted, for the most part, by the Bank of Israel and the Israeli Cabinet, and the reform is currently being initiated.

15. The IAA has finalized a study of the Israeli dairy markets. According to the findings, and subject to a hearing, Tnuva, the largest dairy, is allegedly a monopoly in 11 relevant markets, and Straus, the second largest dairy, is allegedly a monopoly in 5 relevant markets.
16. The Director General has reached a structural remedy with regard to Nesher, the cement monopoly, according to which Nesher will divest its Har Tuv plant to a new competitor, thereby increasing the number of competitors in the Israeli cement market from one to two.
17. The Director General has reached a consent decree with FMR, which holds a dominant position in the back office services required by certain members of the Israeli Stock Exchange. The consent decree opened FMR's market to competition from rival providers.
18. The Director General published the guidelines on enforcement of the prohibition of excessive pricing by dominant firms, that enabled, for the first time, enforcement of this prohibition.
19. Subject to a hearing, the Director General has declared his intention to declare six elevator installers as monopolies in the market for supplying services and maintenance for their elevators, and to impose remedies aimed at opening the service markets to competition from independent service providers.
20. Subject to a hearing, the Director General announced his intention to declare the Port of Ashdod as a monopoly in the market for unloading automobiles imported from Europe and the US and alleging that the port abused its dominant position in this market via agreements with importers of automobiles inducing exclusivity. The Director General also announced his intention to impose financial sanctions on the company and its officers, with regard to the alleged abuse of dominant position.
21. 2.1.1.8. The Director General declared that Bezeq, the largest Israeli telecom provider, abused its dominant position in the telephony and internet markets via pricing of its internet infrastructure access at a price higher than the price of the bundle of internet and telephone services Bezeq sold to end consumers (the behavior occurred prior to the possibility of issuing administrative fines).
22. The Director General carried out the procedure for the removal of substantial entry barriers to the multichannel television market by instructing Hot and Bezeq, the two incumbent firms, to refrain from pricing customers based on the volume of internet traffic, network neutrality provisions, pricing of internet access to competitors, and content exclusivity or de facto exclusivity. The instructions were reached via conditions for the increased control Bezeq acquired in a satellite television provider and a cellular frequency sharing agreement that Hot entered with another cellular provider who is one of the potential entrants into the multichannel television market.
23. On March 2014 the Antitrust Tribunal dismissed an appeal of the IsraCard Credit Card Company against the Director General's decision to refuse to approve fees charged by IsraCard from the competing credit card companies, Leumi Card and Cal, in addition to the interchange fee approved by the Tribunal. The Tribunal upheld the Director General's decision. The Tribunal rejected IsraCard's argument that the arrangements are not restrictive arrangements.
24. On December 2013, the Elrov Company, which has rights and operates "Hotel Mamilla" near the old city in Jerusalem, which includes 70% of a shopping mall and the parking lot adjacent to the shopping mall, won a bid to purchase an additional adjacent parking lot from Karta. The parties submitted a merger notification. The IAA found that these are the two major parking lots used by visitors to the old city of Jerusalem and that the acquisition would establish a complete monopoly in the area and subsequently apposed the merger. Elrov filed an appeal with the Antitrust Tribunal, which upheld the Director General's ruling. In its decision from December 2014, the Tribunal accepted the Director General's position and rejected the parties' proposal to approve the acquisition subject to price controls. The Tribunal adopted the IAA's economic analysis, stating that the merger would cause a monopoly and that the evidence presented

by the IAA proved that Elrov had already adopted a strategy of preferring the visitors of the shopping center, and discriminating between potential customers of the shopping center and other car owners.

25. In the local natural gas market, The Director General announced his intention, subject to a hearing, to declare the purchase of the Leviathan reservoir by Delek Group and Noble Energy Mediterranean from Ratio Company, as a restrictive arrangement. Delek and Noble control all gas reserves on the coasts of Israel. Following the announcement, and in order to address the competitive concerns rising from the agreement, the Director General examined the possibility of reaching a consent decree, which involved the divestiture of relatively small fields. The proposed consent decree was subject to public comments. After receiving serious indications that the proposed consent decree would not yield significant competition, the Director General informed the parties that the draft of the consent decree could not be submitted for approval by the Antitrust Tribunal, since such submission requires that the Director General be convinced that the proposed consent decree solves the competitive concerns. This brought, for the first time, all relevant government agencies to participate in a joint effort, in an attempt to achieve comprehensive regulatory solutions to competitive and other regulatory issues that arise from the natural gas monopoly.

26. The above-mentioned legislative initiatives of the IAA (sub-sections 1.1.1.-1.1.4. above): The Food Law, narrowing the agricultural exemption, cancelling the exemption of mutual exclusivity, enabling market studies, and facilitating and enabling structural remedies against monopolies and members of collectively dominant groups.

27. In the local natural gas market, The Director General announced his intention, subject to a hearing, to declare the purchase of the Leviathan reservoir by Delek Group and Noble Energy Mediterranean from Ratio Company, as a restrictive arrangement. Delek and Noble control all of the gas reserves on the coasts of Israel. Following the announcement, and in order to address the competitive concerns rising from the agreement, the Director General examined the possibility of reaching a consent decree, which involved the divestiture of relatively small fields. The proposed consent decree was subject to public comment. However, after receiving serious indications that the proposed consent decree would not yield significant competition, the Director General informed the parties that the draft of the consent decree could not be submitted for approval by the Antitrust Tribunal, since such submission requires that the Director General be convinced that the proposed consent decree solves the competitive concerns. This brought, for the first time, all relevant government agencies to participate in a joint effort, in an attempt to achieve comprehensive regulatory solutions to competitive and other regulatory issues that arise from the natural gas monopoly.

2.1.2 *Criminal Cases*

- *Investigation of Israel's Largest Beverage Company.* The investigation's department initiated an investigation regarding Israel's largest beverage company, the local producer of Coca Cola. The company was declared a monopoly in 1998 and was given instructions it had to follow to prevent harm to competition and the public. The investigation, which began in February 2014 and is still ongoing, involves the suspicions that the company had infringed these instructions, as well as suspicions of abuse of dominance.
- *Bid-Rigging Cases.* During 2014 the investigations department investigated two different cases of bid-rigging. In one case, the bid was for infrastructure work for an Israeli municipality and in the second, the bid was in the field of environmental services. The first case began in October 2014 and is still under investigation and the second case was initiated in February 2014, and was transferred to the legal department in May.
- *The Interment of Religious Texts Cartel.* In August 2014 an investigation was held regarding suspicions of a restrictive arrangement of market allocation in the field of interment of religious

texts. In October 2014 the investigations department's recommendations were passed on to the legal department.

2.1.3 *Monopolies and collective dominance*

28. Please see section 2.1.1.

2.2 *Mergers*

2.2.1 *Statistics on merger review*

29. Merger review constitutes an important part of the IAA's mission to prevent the formation of market power that is detrimental to competition.

30. Mergers that cross certain **thresholds** must obtain the approval of the Director General before the execution of the transaction. Merging parties must submit a merger notification in the event that one of the following conditions exists:

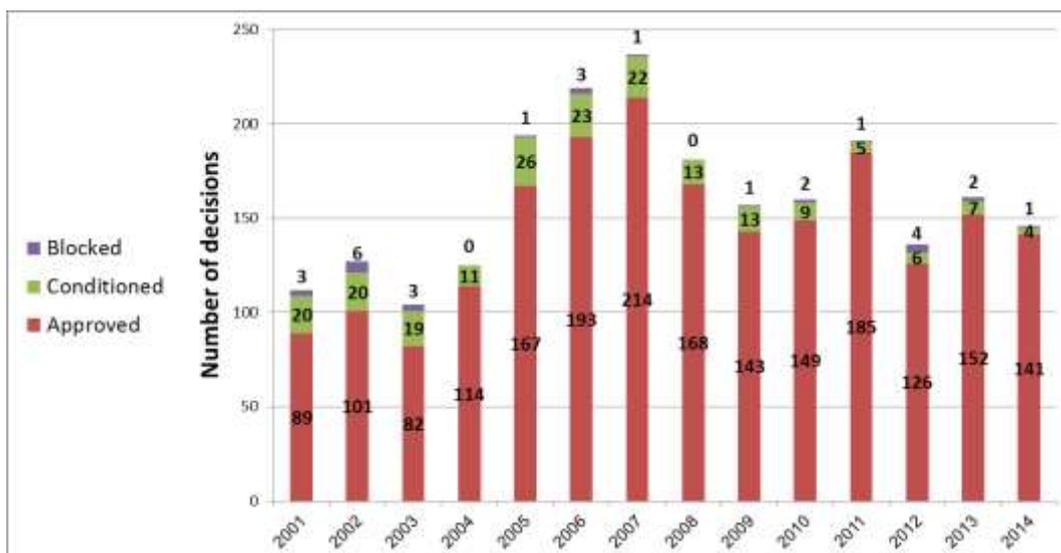
- As a result of the merger, the share of the merging companies in the relevant market is in excess of fifty percent.
- The joint sales volume of the merging companies according to their balance sheets for the year preceding the merger is in excess of 150 million NIS and the sales volume of at least two of the merging companies is in excess of 10 million NIS.
- One of the companies is a monopoly (in any market).

31. The Director General has the power to block a merger or approve it under conditions if the merger raises a reasonable concern of substantial harm to competition or reasonable concern of harm to consumers. The Director General's decision is subject to an appeal to the Antitrust Tribunal. The Antitrust Act sets a review period of thirty days, during which the Director General is required to reach a decision. The period can be extended by the Antitrust Tribunal or with the consent of the merging parties. If the IAA does not decide within the prescribed time period, the merger is deemed to be compatible with the Act.

32. In 2014, the IAA received 149 merger notifications. 1 merger was blocked and 4 were subject to conditions, some of which demanded divestiture of the assets that raised competitive concerns. Some of the notified mergers were withdrawn by the parties after the IAA expressed its competitive concerns and some withdrawn as a result of a business decision.

33. The following table describes the type of decisions in merger filings since 2001:

	Decisions	Approved	Conditioned	Blocked
2001	112	79%	18%	3%
2002	127	80%	16%	4%
2003	104	79%	18%	3%
2004	125	91%	9%	0%
2005	194	85%	14%	1%
2006	219	88%	10.50%	1.50%
2007	237	90.30%	9.30%	0.40%
2008	181	93%	7%	0%
2009	157	91%	8.30%	0.60%
2010	160	93%	6%	1%
2011	191	97%	2.6%	0.52%
2012	136	92.4%	4.6%	3%
2013	161	94.4%	4.4%	1.2%
2014	146	96.6%	2.7%	0.7%



2.2.2 Summary of significant merger cases

34. The following is a summary of several significant merger cases that were reviewed by the IAA or brought before Courts during the period covered by this report:

35. On March 26, 2014, the IAA approved with conditions the merger between Bezek, the largest communication group in Israel, and Yes, one of the only two multi-channel television companies in Israel. As part of the merger, Bezek increased its holdings in Yes and gained control of the company. The examination of the IAA showed that the merger is liable to create an incentive for Bezek and Yes to block new competitors who are planning to provide television broadcasts via the Internet. This is a result of, among other things, the increased interest of Bezek in the success of Yes and the fact that Bezek is dominant in the market of internet infrastructure. The aforementioned blocking of competitors could have been accomplished by restricting the ability of new competitors to acquire content for broadcast or by blocking their customers from purchasing internet services at reasonable prices and terms. In order to prevent these outcomes, the merger was approved under restrictive conditions. With respect to acquisition of content, Yes was prohibited from gaining exclusivity or de facto exclusivity in the acquisition of Israeli and foreign content; with regard to limiting the use of internet infrastructure by customers of new competitors in television broadcasting, it was decided, among other things, that Bezek would not charge internet service providers (ISPs) or customers for services related to multi-channel television broadcasts over the internet. In addition, Bezek is prohibited from conditioning the price of multichannel television services on the purchase of additional communication services.

36. In May 2014 the Director General approved, subject to conditions, a frequency sharing agreement between Hot, one of the new entrants into the mobile market, and Partner, one of the incumbent mobile operators. The frequency sharing agreement was necessary due to the shortage of frequencies appropriate for fourth generation cellular services. The approval of the sharing agreement was limited to 6 years after final approval of the sharing agreement. After this period, the Director General will decide whether to approve the continuation of the agreement according to the competitive assessment of market conditions. Since Hot is dominant in the market for multichannel television services, and Partner is a potential entrant to this market, the agreement was conditioned on reduction of entry barriers that may be created by Hot, including limitation of Hot's ability to charge its customers according to aggregate internet capacity used, network neutrality conditions, and limitations on the ability to discriminate among consumers based on their purchase of other services from Hot. Hot was also notified that an increase in the rate it charges ISPs for internet access would be considered as an abuse of its dominant position.

37. In March 2014 the Director General objected to a merger between Elrov and Karta, and the decision was upheld by the antitrust tribunal in May 2014, as detailed in section 2.1.1.11 above.

38. In March 2014 the Director General conditioned the merger between Berman and Hagim Unehalim, who operate in the wholesale market of office suppliers, on divestiture of assets. The merging companies held substantial shares of the markets for branded pens, branded glue, erasable markers, and electronic dictionaries. The divestiture of assets assured that dominance would not be enhanced by the merger in the above-mentioned market.

3. Key Advocacy Activities

39. In addition to its mandate to enforce the provisions of the Antitrust Act, the IAA serves as an expert advisory body to the Israeli government and parliament in matters that concern competition. Subsequently, one of the key capacities of the IAA involves offering its professional know-how and expertise to various government bodies and disseminating competition principles among them. The IAA's advocacy efforts are also directed towards the business and legal communities, as well as the public. In recent years, the IAA has been deeply involved, through advocacy work, in numerous initiatives to open markets to competition and to reduce barriers to entry.

40. The IAA works together with government ministries and other government agencies to enhance market competition and cope with competition problems in various sectors of the economy. It also engages in discussions at the Parliament's Finance Committee and Economic Affairs Committee where its representatives present the competitive aspects relevant to various regulatory, legal and economic issues. The IAA has also been expanding its role as an advocate to competition to the general public, through guest lectures at Israeli universities, holding forums including the IAA's senior management within conferences, organizing specialized seminars, and teaching about competition in high schools.

41. There is a division of the economics department in charge of market studies. A senior employee, reporting to the Director General, is in charge of advocacy, including with regard to implementation of the Law for the Promotion of Competition and Reduction of Economic Concentration, 5774-2013 ("The Concentration Law") to privatizations, as discussed further below.

42. The Antitrust Law provides the Director General with the authority to conduct market studies in sectors of the economy, including examination of the existence of competition failures and barriers to competition. The Director General may hand his reasoned conclusions and recommendations to the minister responsible for the sector examined and to the Minister of Treasury, and in a sector that is regulated by another agency – also to the head of that agency.

43. In some cases, regulators and government agencies are obliged to take into account competition considerations. In many of these cases, they consult with the IAA as to the implications of their actions or policies on competition. Examples of such advocacy efforts vis a vis various government agencies during 2014 are allocations of land for queries of limestone and dolomite, garbage disposal and transport, recycling, and competitive bidding for coal dust.

44. Another key advocacy effort that occurred in 2014 was the IAA's market study and report advocating the introduction of debit cards into the Israeli market, detailed in section 2.1.1.1 above. In addition, the IAA advocated and initiated, together with other government bodies, the legislative amendments detailed in sections 1.1.1 to 1.1.4 above.

45. Similarly, according to the Concentration Law, the allocation of economic rights (e.g. licenses, permits, government franchises and privatizations) which are liable to competitive problems is subject to competitive assessment. When the Director General decides that the allocation of rights may have a

significant effect on competition, the regulators must consult with the Director General regarding the competitive assessment of the allocation. Furthermore, the Director General was appointed as chairman of the Concentration Reduction Committee, which was formed to advise the government on the ramifications of the allocation of essential facilities concerning overall concentration in the economy (e.g., excessive bargaining power of a business group vis a vis government bodies).

46. Finally, the government of Israel has recently proposed a decision aimed at improving the legislation process in Israel. One of the current recommendations, which the IAA is accompanying and advocating, is that any new legislation, regulations, policies and their amendments, should be assessed also based on their effect on competition. The IAA also continues to give seminars to help prevent bid rigging for procurement officials in order to raise awareness about big-rigging activity.

3.1 IAA's conferences

47. The IAA held its annual conference in January 2015 (summarizing the activities of 2014) with the participation of the Minister of Economic Affairs Mr. Naftaly Bennett. The conference included multiple breakout sessions in which representatives from the IAA, the business sector and academia discussed various issues and developments in antitrust policy and enforcement. IAA's annual conferences are attended by judges, lawyers, economists, academics, CEOs, prominent members of the business community, government officials and the general public.

48. In addition to the Annual Conference, the IAA initiated roundtable meetings, which take place one every 3 months, to discuss various issues on the antitrust agenda together with members of the private sector.

3.2 IAA's publications

49. The IAA issues a yearly public report in Hebrew summarizing its activity in the past year. Most of the IAA's decisions are published on the IAA's website alongside the Antitrust Tribunal and Court decisions. The Director General also administers several statutory public registries, which include decisions regarding restrictive arrangements, mergers, monopolies, and consent decrees.

50. Please see sub-section 1.2 above for more information on guidelines issued in 2014.

51. In addition, the IAA offers a detailed online database in both Hebrew (<http://archive.antitrust.gov.il/>) and English (<http://eng-archive.antitrust.gov.il/>). The database includes archives ranging from decisions of the Director General, court decisions, legislation and press releases. This database serves as a comprehensive central reference point for people in Israel and abroad regarding information on IAA activities.

4. International cooperation

52. During the reviewed period, the IAA continued to contribute to the various OECD working groups on specific themes such as investigations of consummated and non-notifiable mergers, airline competition, etc'. As a participating member of ICN working groups, the IAA has contributed to discussions about mergers, cartels, and monopolies. The IAA adds professional experience gained from Israel's antitrust proceedings to these working groups and continues to benefit from receiving such insights from the antitrust authorities of other countries.

53. In addition, since 1999, the IAA has had an agreement of bilateral cooperation with the Department of Justice and Federal Trade Commission in the United States.

54. The IAA's professional staff has given lectures and held presentations at numerous international workshops and conferences throughout the year and invites experts in competition law from around the world to give presentations to the employees of the IAA.

55. In the past year the IAA has continued to strengthen its cooperation with the World Bank in Peru, Colombia and Panama. Members of the IAA gave lectures regarding the development of IT capabilities, search tactics and interrogation techniques. These lectures were attended by members from agencies of more than a dozen Latin-American countries.

56. During January 2014, senior members from the Brazilian antitrust agency CADE and the Romanian competition council participated in a 3 day workshop on intelligence capabilities and intelligence gathering in antitrust cases. Members from the IAA investigations and intelligence department shared information on building such capabilities and initial guidelines on utilizing intelligence capabilities for the purpose of uncovering cartels.

57. Members from the IAA have also assisted in the drafting of guidelines for dawn raids in one of the developing countries. The IAA also works closely with the European Union and the competition authorities in its member states, particularly with respect to international mergers.

58. In October 2014, the IAA was hosted by the Brazilian Competition Authority (CADE) for a workshop conducted by the IAA's staff on criminal intelligence operations and investigations. The 4-day workshop included lectures on preparing investigations, preparing searches, and interrogation techniques. The IAA shared in this workshop techniques developed in the IAA's investigations department.

5. Resources of the IAA

59. The IAA's budget for 2014 was 37 million NIS (approximately US \$9.5 million). The total number of employees was 125, divided as follows:

Economic Department	36 economists
Legal Department	36 lawyers
Criminal Investigations Department	25 investigators
Administrative Staff	22 (including IT and HR)
The Director General's Office	6
All staff combined	125 employees