
**Directorate for Financial and Enterprise Affairs
COMPETITION COMMITTEE**

English - Or. English

Annual Report on Competition Policy Developments in Sweden

21-23 June 2017

This report is submitted by Sweden to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 21-23 June 2017.

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Table of Contents

1. Executive summary	3
2. Changes to competition laws and policies, proposed or adopted	3
3. Enforcement of competition laws and policies.....	4
3.1. Action against anti-competitive practices, including agreements and abuses of dominant positions and anti-competitive sales activities	4
3.1.1. Summary of activities of the SCA.....	4
3.1.2. Description of significant cases, including those with international implications	4
3.2. Mergers and acquisitions	6
3.2.1. Statistics on number, size and type of mergers notified and/or controlled under competition law	6
3.2.2. Summary of significant cases.....	7
4. The role of the SCA in the formulation and implementation of other policies, e.g. regulatory reform, trade and industrial policies	8
4.1. Advocacy	8
4.1.1. Reports	8
4.1.2. Responses to official consultations	10
4.2. Research.....	11
4.2.1. Projects that received funding in 2016.....	12
4.2.2. Commissioned research.....	12
4.2.3. Conferences and workshops.....	13
4.2.4. Essay contest	13
4.2.5. Council for Research Issues	13
4.3. Communication and knowledge	13
4.3.1. Ongoing focus on digital communication	13
4.3.2. Electronic newsletter: Procurement and competition.....	13
4.3.3. Interactive guidance	14
4.3.4. Video.....	14
4.3.5. Podcasts.....	14
4.3.6. Web-based customer service.....	14
4.3.7. Almedal week.....	14
4.3.8. Op-ed articles and statements.....	14
4.3.9. Stakeholder's views.....	14
4.4. International work.....	15
4.4.1. European Competition Network.....	15
5. Resources of the SCA	17
5.1. Resources overall.....	17
5.1.1. Annual budget	17
5.1.2. Number of employees	17
5.2. Human resources (person years) applied to:	17
5.3. Period covered by the above information: 2016.	17
6. Summaries of or references to new reports and studies on competition policy issues	17

1. Executive summary

1. Investigations into anticompetitive agreements continued to be prioritised by the Swedish Competition Authority (SCA) in 2016, and two cases involving anticompetitive cooperation resulted in competition fines being issued. In December the Patent and Market Court held that TeliaSonera and Gothnet are liable to pay a total of SEK 16 million in fines for illegal cooperation in a public procurement by the city of Gothenburg. The SCA issued fine orders totalling SEK 4.5 million against two providers of environmental and transport services, which the companies accepted.
2. The SCA has also pursued two cases in court involving alleged abuse of a dominant position. In November a case against Swedish Match was heard, in which the Authority claimed that Swedish Match had restricted competition by denying their competitors equal exposure in stores. The court confirmed the Authority's position and issued fines in a judgement in early February 2017. A case against the Stockholm Stock Exchange/Nasdaq OMX, where the Authority claims a competitor has been denied access to a data center, awaits its main hearing in September 2017.
3. The SCA challenged a total of four mergers over the year. Blocket/Hemnet and Visma/Fortknock were withdrawn by the parties during the in-depth review and Kronfågel/Lagerberg was withdrawn by the parties during court proceedings. In Logstor/Powerpipe the court took a different view from the SCA and dismissed the Authority's plea for prohibition.
4. The SCA published several reports and replies to official consultations as part of its advocacy activities. It furthermore funded research into issues relating to its fields of operation.

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

5. As highlighted in last year's report an amendment to the Competition Act, which came into force on 1 January 2016, permits the SCA to copy and examine electronically stored materials at the SCA's premises after an inspection of a company. This power is subject to the consent of the company in question.
6. A government appointed inquiry into the question of enhancing the SCA's decision making powers published its report and recommendations in June 2016. The inquiry proposed granting the SCA decision making powers for issuing competition fines and blocking mergers. The government consulted stakeholders on the proposal.
7. On 27 December 2016 a new Competition Damages Act entered into force, implementing the EU Damages Directive.

3. Enforcement of competition laws and policies

3.1. Action against anti-competitive practices, including agreements and abuses of dominant positions and anti-competitive sales activities

3.1.1. Summary of activities of the SCA

8. **Anti-competitive cooperation and abuse of dominant position:** During 2016, the SCA made 11 decisions pursuant to Chapter 2, Articles 1 and 7 of the Swedish Competition Act and Articles 101 and 102 of the Treaty on the Functioning of the European Union (TFEU). Several investigations were closed due to the parties eliminating the competition concerns in the course of the case being processed.

9. **Anti-competitive sales activities by public entities:** The SCA has placed great emphasis on investigations and processes related to anti-competitive public sector sales activities. The SCA made 10 decisions on cases relating to anti-competitive sales activities by public entities.

10. **Tip-offs and complaints:** The SCA received more than 600 competition related tip-offs and complaints from companies, customers and consumers in 2016. We noted a substantial increase in tip-offs and complaints related to competition, especially regarding anti-competitive cooperation.

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

Anti-competitive cooperation

11. *Telia Sonera and Gothnet:* In December 2014 the SCA approached Stockholm District Court petitioning that Telia Sonera Sverige and Göteborg Energi Gothnet should be ordered to pay almost SEK 35 million in administrative fines for their anti-competitive cooperation in conjunction with the City of Gothenburg's procurement of data communication services in 2009. In the SCA's opinion, the agreement between Telia Sonera Sverige and Göteborg Energi Gothnet contravenes competition regulations. In a judgment issued on 21 December, the Patent and Market Court found mainly in favour of the Authority and ordered each company to pay SEK 8 million for illegal tender collaborations. Telia Sonera has appealed the judgment. (Ref no.: 848/2014).

12. *Ragn-Sells and Bilfrakt Bothnia:* The SCA investigated a cooperation between Ragn-Sells AB and Bilfrakt Bothnia AB concerning environmental and transport services in the county of Västerbotten. The Authority found that the companies contravened the competition rules when they agreed not to compete with each other in procurements of the county's waste collection. The companies accepted the fine order and paid a total of SEK 4.5 million in administrative fines. (Ref no.: 184/2014)

13. *Aleris, Capio and Hjärtkärlgruppen:* In March 2015, the SCA raised its demands for administrative fines in an ongoing legal process which was initiated against Aleris Diagnostik, Capio S:t Göran's Hospital and Hjärtkärlgruppen back in August 2013. The SCA petitioned for administrative fines totalling almost SEK 41 million, as a result of the companies having collaborated in an illegal manner in conjunction with Stockholm County Council's procurement of clinical physiology services. The Stockholm District Court ordered the healthcare companies between them to pay administrative fines totalling SEK 28 million. The companies appealed the judgment to the Patent and Market

Court of Appeal, which altered the District Court's verdict and rejected the SCA's petition. (Ref no.: 483/2013).

14. *Removals sector:* In July 2014, the SCA took legal action against the removals companies Alfa Quality Moving AB, NFB Transport Systems AB and ICM Kungsholms AB for illegal cooperation in respect of international household removal assignments. The SCA petitioned that the companies together should pay SEK 42 million in administrative fines. Following the main hearing in Stockholm District Court in March 2016 the Court rejected the Authority's petition. The Authority appealed the judgment and the main hearing is scheduled to take place in the Patent and Market Court of Appeal in September 2017 (Ref no.: 511/2014).

15. *Monitoring of a decision - The market for online travel agency services:* The SCA has previously investigated whether online travel agencies restrict competition in the market for the online provision of hotel rooms, as a result of the terms and conditions of their agreements with Swedish hotels. The Authority approved commitments by Booking.com to amend their contractual terms and conditions (Ref nos.: 595/2013 and 596/2013) and the investigation into Expedia was closed after it amended its agreements (Ref no.: 595/2013). A recent monitoring exercise of the decisions on the contractual terms and conditions of online travel agencies, made by several competition authorities within the EU, found that the conditions between travel agencies have improved.

Abuse of a dominant position

16. *Swedish Match:* At the end of 2014, the SCA filed an action with the Stockholm District Court demanding that Swedish Match North Europe pay almost SEK 38 million in administrative fines as a result of their abuse of a dominant position. From June 2012 to April 2013 Swedish Match had introduced a compulsory system for shelf labels in snus coolers, a system that limited the opportunities of their competitors to provide consumers with information about their brand and the price of their product(s). The main hearing took place in the Patent and Market Court in November 2016 and on 8 February 2017 the Court issued its judgment, finding in the Authority's favour. (Ref nos.: 415/2012, 815/2014).

17. *Nasdaq OMX:* In May, the SCA filed an action with the Stockholm District Court demanding that three companies, Nasdaq OMX Stockholm, OMX AB and OMX Technology be together ordered to pay administrative fines totalling almost SEK 31 million. The Stockholm Stock Exchange/Nasdaq OMX are suspected of having abused their dominant position in the market when, by placing pressure on Verizon Sweden, they obstructed a competitor, Burgundy, from placing computers for their trading system in Verizon's data centre. The Authority initiated their investigation in December 2010 following a complaint from Burgundy. In June 2011 the Authority carried out unannounced inspections at Verizon and Nasdaq, and secured several pieces of evidence. The main hearing is planned to begin in September 2017 (Ref nos.: 629/2010, 406/2015).

18. *Swedavia:* During part of 2011, Swedavia's contractor Europark charged a special fee for meeting airport taxi customers with a sign bearing their name. Swedavia petitioned that Stockholm District Court should reject the Authority's summons application, but the Court rejected Swedavia's petition. The Market Court found that this constituted abuse of a dominant position and Swedavia subsequently stopped charging this fee. The case that the SCA subsequently brought to Stockholm District Court demanded that Swedavia pay administrative fines totalling SEK 340,000. The main hearing took place in April 2016. The Court found that it was indeed anti-competitive to

charge the fee, but that it was still objectively justified due to the capacity problems that arose in respect of taxi parking at the time in question. Both Stockholm District Court and the Market Court have sided with the Authority on a matter of principle - that an order to cease making an infringement, under penalty of a conditional fine, does not mean that the company will automatically avoid an administrative fine. (Ref no.: 378/2013)

19. *The gambling market:* Throughout the year the SCA has been continuing to investigate suspected competition restraints in a specific part of the Swedish gambling market. The SCA is investigating whether certain terms and conditions within contracts concerning collaborations to organise a nationwide lottery are anti-competitive. (Ref no.: 263/2013).

20. *The market for lock products:* The SCA has previously conducted unannounced visits at companies involved in the lock product market – investigations have continued during 2016. (Ref nos.: 494/2013 and 651/2013).

21. *The dairy market:* The SCA has investigated whether Arla abused its dominant position in the market through loyalty-inducing contracts with retail outlets. The Authority's investigation found no support for the notion that the discounts offered by Arla could result in anti-competitive exclusion. Nor did it find anything to suggest that Arla made payments to retailers in exchange for "exclusivity" arrangements. In the light of that which has emerged through the investigation, the Authority decided that there was no reason to continue the investigation of the case. On 14 November, the Authority made the decision to conclude its investigation. (Ref no.: 663/2015)

Anti-competitive sales activities by public entities

22. *Municipality of Växjö:* In a summons application to Stockholm District Court, the SCA demanded that the Municipality of Växjö should be prohibited from forcing homeowners to connect to the municipal district heating network. The Authority's application was rejected and the Authority subsequently appealed the judgment to the Market Court. The Authority later withdrew its appeal in the Market Court, after which the case was closed and the District Court's judgment entered into legal force. (Ref no.: 380/2013).

23. *Municipality of Borås:* Through a judgment issued in 2014, the District Court granted the SCA's application to prohibit the Municipality of Borås from selling ground and construction contract works to anyone other than the municipal authority itself. The Municipality appealed the judgment to the Market Court which subsequently issued a judgment on 15 February 2016. The Market Court altered the District Court's verdict and rejected the Authority's petition that the Municipality of Borås's ground and construction work contracts should be prohibited (Ref no.: 45/2012).

3.2. Mergers and acquisitions

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

Mergers

24. The SCA adopted 74 decisions relating to concentrations between undertakings. Six mergers were subject to an in-depth investigation in 2016. One was examined in court.

25. The following table shows the number of new cases registered during 2016 under the Competition Act and the number of decisions during the same period.

Year	Registered new cases		Decisions	
	2015	2016	2015	2016
Mergers	61	74	63	77

3.2.2. Summary of significant cases

Kronfågel – Lagerberg

26. The Authority's report concerned Kronfågel Holding's acquisition of Lagerberg in Norjeby – both companies operate in the market for the production and sale of chicken products. The SCA petitioned that Kronfågel should be prohibited from assuming sole control of Lagerberg. Following Lagerberg's decision to sell to a company other than Kronfågel, the Authority withdrew its petition and on 23 March the case was closed. (Ref nos.: 472/2015 and 52/2016).

Visma – Fortnox

27. Visma's planned acquisition of Fortnox was reported to the SCA and, in light of this, the Authority decided to commence an in-depth investigation. Both companies operate in the market for finance and administration business systems for small and medium-sized enterprises. The Authority drafted a summons application in which it petitioned that the acquisition be prohibited and, as a result of this, Visma decided not to go through with the acquisition (Ref no.: 207/2016).

Blocket - Hemnet

28. In March, the SCA decided to initiate an in depth-investigation in order to more closely examine Blocket's planned acquisition of Hemnet, within the digital home-search market. In July, it was announced that the notification of merger

29. examination previously submitted to the Authority had been withdrawn by the two parties concerned after they became aware that the Authority intended to file a summons application with Stockholm District Court, in which it petitioned for the merger to be prohibited . Consequently, Blocket did not acquire Hemnet and the Authority concluded its case (Ref no.: 84/2016).

Com Hem - Boxer

30. In September, following a special investigation and closer examination of the acquisition's probable effects on competition, the SCA decided to take no action over Com Hem Communications' acquisition of Boxer TV-Access. The Authority assessed the acquisition's effects on competition from two aspects – Com Hem's and Boxer's sales of TV services (to property owners and private households) and purchases of TV channels from broadcasters. The Authority's investigation found nothing to suggest that Com Hem's acquisition of Boxer would inhibit the presence or development of effective competition in respect of the TV distributors' sales of TV services or purchases of TV channels (Ref no.: 411/2016).

Logstor - Powerpipe

31. After examining in more detail a reported acquisition in the market for the production and sales of district heating pipe systems, the Authority submitted a summons application to Stockholm District Court, requesting that the merger be prohibited. The Authority believed that a merger of Logstor and Powerpipe would lead to a strong concentration in Sweden within the district heating pipe market. The Court found otherwise and the Authority appealed its judgment to the highest court, the Patent and Market Court of Appeal, which also took a different view to the Authority with regard to the definition of the relevant geographic market. The Patent and Market Court of Appeal rejected the Authority's petition and upheld the District Court's judgment (Ref no.: 578/2015 and 118/2016).

4. The role of the SCA in the formulation and implementation of other policies, e.g. regulatory reform, trade and industrial policies

4.1. Advocacy

32. One of the tasks of the SCA is to identify obstacles to effective competition in public and private operations. The SCA is to present proposals for the opening up of competition and for regulatory reform as well as to follow up developments within the area of competition. The SCA describes proposals for improvement measures in reports, responses to official consultations and official communications to the government. The SCA also provides comments and opinions for other public authorities that would like to know the Authority's views on a particular investigation or changes to the regulatory framework.

4.1.1. Reports

Annual Report for 2016¹ - Annual report on the activities of the SCA focusing on enforcement of the competition and public procurement regulations.

33. *The various activities of major banking groups – an overview of various sub-markets²*: Four major banking groups hold a particularly strong position in the Swedish market. This report aims to describe their operations and provide an overview of the competition situation on this market. (Report series 2016:2)

34. *Evaluation of vocational introduction agreements³*: The SCA has been commissioned by the government to evaluate the competitive effects of the subsidies provided for vocational introduction agreements, since only employers subject to collective agreements regarding vocational introduction can avail themselves of the subsidies available. The report describes the effects of the subsidies and their economic significance in relation to other forms of employment support. (Report series 2016:3)

¹ http://www.konkurrensverket.se/globalassets/english/publications-and-decisions/Annual-Report_2016.pdf

² http://www.konkurrensverket.se/globalassets/publikationer/rappporter/rapport_2016-2.pdf

³ http://www.konkurrensverket.se/globalassets/publikationer/rappporter/rapport_2016-3.pdf

35. *Deliveries throughout Sweden – two studies of parcel deliveries and home deliveries of food items in Sweden*⁴: The economic preconditions for retail trade in smaller towns and cities can lead to less effective competition between retail operators. This report addresses two areas where the markets are developing through digitalisation and e-commerce – parcel deliveries and home deliveries of food items in Sweden. (Report series 2016:6)

36. *Own brand food items – milk for domestic consumption*⁵: This report highlights theories regarding the development of supermarkets' own brands, experiences from other countries, and it illustrates conditions within the Swedish milk market. Milk for domestic consumption has been chosen as an example since it is a product where own brands were introduced relatively late, and where the percentage of own brands is rapidly increasing. (Report series 2016:7)

37. *The expansion of broadband in rural areas – Village associations and competition*⁶: The expansion of broadband continues apace. The Swedish government makes financial contributions in areas where there is no real commercial justification for the expansion. Part of this financial support is given to "village associations". The report looks at how various village associations have reasoned in order to benefit from the positive effects of effective competition. (Report series 2016:8)

38. *Evaluation of the rules regarding anti-competitive public sales activities*⁷: Seven years have passed since the rules regarding anti-competitive public sales activities entered into legal force in Sweden. The SCA has taken many cases to court by virtue of these rules. This report describes lessons learnt through the application of the rules, and how the Authority has fared in court. The report also highlights the challenges presented by the rules, and how these can affect the Authority's future prioritisation, investigations and processes. (Report series 2016:9)

39. *Transfer charges in the life insurance market*⁸: The report provides an overview of the market and highlights potential "lock-in" effects related to pension schemes. The SCA has examined the effects of transfer charges and proposed a number of measures that could both improve options for customers to transfer their schemes and, at the same time, improve competition in this market. (Report series 2016:12)

40. *Competition in the waste management sector – preparing for a circular economy*⁹: New ecocycling processes within waste management mean that new organisational solutions and technological innovations are required. Thus state the Nordic competition authorities in a joint report that looks at the preconditions for competition within waste management in the Nordic countries from various different perspectives. (Series: Nordic reports)

⁴ http://www.konkurrensverket.se/globalassets/publikationer/rappporter/rapport_2016-6.pdf

⁵ http://www.konkurrensverket.se/globalassets/publikationer/rappporter/rapport_2016-7.pdf

⁶ http://www.konkurrensverket.se/globalassets/publikationer/rappporter/rapport_2016-8.pdf

⁷ http://www.konkurrensverket.se/globalassets/publikationer/rappporter/rapport_2016-9.pdf

⁸ http://www.konkurrensverket.se/globalassets/publikationer/rappporter/rapport_2016-12.pdf

⁹ http://www.konkurrensverket.se/globalassets/publikationer/nordiska/nordic-report-2016_waste-management-sector.pdf

4.1.2. Responses to official consultations

41. The SCA responded to 167 consultations during 2016. By commenting on proposals made in reports and other enquiries the SCA can assist the government and other agencies in the preparation of proposals and decisions. Among the official consultations made by the SCA in 2016 were several responses within the area of finance. The Authority has also been involved in hearings and consultations arranged by the Swedish Energy Markets Inspectorate, the Ministry of the Environment & Energy, the Ministry of Enterprise and Innovation, and the Ministry of Finance. Below can be found a selection of the Authority's responses to official consultations on the subject of competition in 2016.

42. *"Yes" to extended decision-making powers:* In a consultation to the government, the SCA has endorsed proposals to extend the Authority's decision-making powers. Sweden is one of few member states within the EU whose competition authorities lack their own decision-making powers. Enhanced decision-making powers would mean that the Authority can cut processing times whilst simultaneously maintaining legal certainty. To further explain the potential gains in terms of efficiency, the Authority also submitted a supplementary statement which could be used as information in the ongoing preparation of the matter. (Ref no.: 464/2016)

43. *New Competition Damages Act:* The SCA endorsed in principle the Ministry of Enterprise and Innovation's memo concerning proposals in respect of the Competition Damages Act. The Authority believes that it is important that the Act's material prohibitions are combined with adequate sanctions. In practice, it is the SCA that bears the main responsibility for ensuring that sanctions are brought about in any given case, whilst the rules regarding damages for violations of competition rules fulfill an important complementary function. (Ref no.: 715/2015)

44. *Finance:* The SCA endorsed the regulation of commission payments in respect of financial advice, which means that a more far-reaching commission ban will not be introduced, as was proposed in the report "The Securities Market, MiFID II and MiFIR" (SOU 2015:2). The Authority also endorsed a modernised set of rules and regulations for payment services that allows better access to and competition within the payment services market. (Ref nos.: 444/2016 and 509/2016).

45. As far as the fund market is concerned, the Authority has endorsed proposals made by the Fund Inquiry regarding the introduction of requirements in respect of sustainability information, the accounting of activity measurements and the opportunity for fund management companies to provide investment savings accounts. The Authority emphasised that it had previously pointed out that this opportunity creates competition-neutral conditions for the fund management companies concerned. (Ref no.: 437/2016).

46. *"No" to price regulation:* The SCA is generally negative to price regulations in competitive markets, since such regulations reduce opportunities for companies to compete on the basis of price. During 2016 the Authority has made statements regarding three proposals which, in practice, imply price regulation: One proposal from the Swedish Environmental Protection Agency, concerning a regulated lowest price for plastic carrier bags, was rejected; the Authority cited that the proposal was not sufficiently justified as it distorted the effects that bags made of different materials had on competition, and the significant cost that the proposal could imply for Swedish consumers. (Ref no.: 410/2016).

47. The Authority also rejected proposals regarding “reasonable conditions” and price regulation for designated electricity contracts (ref no.: 186/2016) and a proposal for the regulation of fees for the charging of electric vehicles at public charging stations. (Ref no.: 72/2016).

48. *Geo-blocking*: In a consultation regarding the functioning of the internal market, the Authority endorsed the European Commission’s proposals to the European Parliament and the Council’s regulation on measures against “geoblocking” and other forms of discrimination on the grounds of nationality, place of residence or place of establishment. At the moment there are differences between how consumers are treated when they shop online and how they are treated when they travel to other member states to purchase goods or services. The Authority believes that the Commission’s proposal improves options to give consumers better access to goods and services within the internal market, and that the proposal would have positive effects. (Ref no. 385/2016)

49. *”No” to event list*: The SCA has rejected the Swedish Press and Broadcasting Authority’s proposal for an ”event list”. The Authority stated, amongst other things, that the proposal did not mention the problems that would be solved by the existence of such a list. The concept of ”free TV” was not clearly demarcated and, in the Authority’s opinion, the rapid expansion of broadband with a high transfer speed probably means that the coverage requirement will soon become ineffective. (Ref no.: 316/2016)

50. *Municipal separation of accounts*: The SCA pointed out that it should be possible to coordinate or extend existing rules for the separate accounting of municipal sales activities in new legislation; it also stated that there were no proposals in respect of penalty options in the event of non-compliance with the rules, nor was there a clear description of how supervision or the adoption of standards are to be conducted. (Ref no.: 304/2016).

51. *Type-approved apartment buildings*: In a consultation regarding the report on the Swedish construction market ”Room for more to build more”, the SCA concurred that a higher degree of uniformity brought about through ”type-approved apartment buildings” could create conditions for economies of scale, better streamlining and larger scale within the construction process, and that this could lead to digital planning processes and reduced production costs. (Ref no.: 254/2016).

52. *Mortgages*: The SCA maintained the views it had previously conveyed to the Swedish financial supervisory authority Finansinspektionen (Ref no.: 187/2015), that an amortisation requirement would have a negative effect on competition. The Authority believed that there were overwhelming reasons for allowing a new valuation of collateral every time a change of lender occurred. According to the Authority, this would create further preconditions for consumer mobility and, ultimately, better competition. (Ref no.: 812/2015)

4.2. Research

53. The SCA has a mandate to conduct research connected with its areas of operation. In 2016, the appropriation allocated to research in competition and procurement was SEK 13.6 million. The research appropriation is divided up into funding for researchers at higher education institutions and funding for projects that the researchers initiate themselves. First and foremost, we finance research within law and economics. We also arrange conferences, seminars and workshops where we provide information about our

research and our findings. In addition to this, each year the Authority organises an essay competition for students.

4.2.1. Projects that received funding in 2016

54. During the year, the SCA received 46 applications requesting funding for research within the fields of competition and procurement. The SCA granted funding to eight new projects in the field of competition research; the 2015 funding amounted to a total of nearly SEK 4.6 million. The SCA also paid out over SEK 6.9 million to ten ongoing projects.

55. The following is an account of new research projects.

- Björn Lundqvist – “Ascola (Academic Society for Competition Law) research conference in Stockholm, Spring 2017”
- Richard Friberg – “Minicourses within competition research”
- Magnus Söderberg – ”Can customer complaints be a substitute to formal antitrust and regulatory processes?”
- Julian Nowag – ”Economics and Value Judgment: Between Accountability and Independence of Competition Agencies”
- Ulf Bernitz – “Access to the European Commission’s Files in Cartel Cases – Promoting or Preventing Effective Enforcement of European Competition Rules?”
- Björn Lundqvist – ”Relevant market and market power when companies compete through innovation: Competition in the New Economy”.
- Sven-Olov Daunfeldt – “The State as capital: How is competition affected by state support initiatives to private companies?”
- Henrik Horn – “Unilateral competition policy, standard-essential patents and international integration”

4.2.2. Commissioned research

56. The SCA commissions research when we see a direct need to investigate or highlight specific issues within competition and/or procurement. The results are then reported in a special report series for commissioned research. We assign a reference group to each project to quality assure the study. The reference groups consist of individuals with special expertise in the field in question. Our ambition is for the reports to be founded on solid academic grounds and to be written in such a way that the content can also be understood by non-specialists. In 2016 a total of SEK 2.6 million was awarded for commissioned research within the fields of competition and procurement.

57. In 2016 the SCA published the following commissioned research reports on competition:

- Hans Henrik Lidgard – “Competition and environment”.
- Niklas Arvidsson – “The growth of mobile, electronic payment services in Sweden – A study of change within payment systems”.
- Anders Parment – “The changing private car market – consequences for competition conditions and consumer protection with particular emphasis on the after market”.

4.2.3. Conferences and workshops

58. To share and advance knowledge about current competition and procurement-related matters, the SCA holds an annual international research seminar entitled “Pros and Cons”. Since the first seminar in 2002, researchers and experts have discussed the pros and cons of compelling questions in the field of competition law. The theme of this year’s seminar, which was held on 11 November, was “The Pros and Cons of the Sharing Economy”. Around 100 researchers, academics, lawyers and representatives of competition authorities participated in the conference.

59. On 10 November, the SCA’s Research Council held its annual Swedish Workshop in Competition Research (SWCR).

4.2.4. Essay contest

60. In an effort to promote interest in competition and procurement matters among students, the SCA holds an annual essay contest. The contest is open for all topics that are relevant to the activities of the Authority. In 2016 there were 37 entries submitted and six of these were awarded with prizes and shared a total of SEK 100,000. Three of the essays addressed competition-related issues.

4.2.5. Council for Research Issues

61. The SCA has a designated research council. The Council consists primarily of external academic researchers within the fields of economics, law and business administration. The Council is tasked with stimulating research in the fields of competition and procurement, and providing the SCA and the National Agency for Public Procurement with findings from developments, primarily in the economic and legal sciences, which may be of significance to our activities. The Council’s members are appointed by the SCA and have a term of two years. This year, the Council convened on three occasions. Its agendas addressed current research issues, research appropriations, applications for funding, proposals for commissioned research projects and the essay contest.

4.3. Communication and knowledge

62. The SCA is to promote competition and provide appropriate information for companies and other concerned parties regarding important decisions, implementation of the rules and the content of these rules.

4.3.1. Ongoing focus on digital communication

63. We have continued to prioritise digital communication throughout 2016. We have communicated via our web site, through digital newsletters and social media, through traditional media, meetings and industry forums, and in several different arenas both in Sweden and internationally.

4.3.2. Electronic newsletter: Procurement and competition

64. During the year the SCA has published a newsletter that addresses both procurement and competition issues. The newsletter is published bi-weekly and continually provides almost 3,000 subscribers with up-to-date information.

4.3.3. Interactive guidance

65. Our interactive digital guidance is a fast way for us to help our target audience with various different issues. The guidance promotes a better understanding of rules and regulations and is greatly appreciated by its users. During 2016 we developed a digital guidance package on distribution agreements that explains what suppliers and resellers should think about when entering into agreements to buy or sell a product or service. We also published an English version of our digital guidance package addressing anti-competitive public sales activities.

4.3.4. Video

66. During 2016 the Authority has developed its usage of video. Besides our real time webcast seminars, we have also uploaded various video films and clips of our own design on our web site and made material available via YouTube. During 2016 the SCA published eight information films.

4.3.5. Podcasts

67. As part of its efforts to develop and refine its digital communication, the SCA has continued to develop its podcasts throughout 2016. Entitled “Konkurrenten” (The Competitor), the podcasts address competition and procurement-related issues. A total of 13 episodes were broadcasted in 2016.

4.3.6. Web-based customer service

68. The SCA handles many different issues concerned with competition and procurement legislation and this is primarily conducted via the “tip-off” function. To make it easier for our target audience to find the right answers to its questions, the Authority has, during the year, continued to develop its work with a web-based question forum.

4.3.7. Almedal week

69. The SCA arranged seminars in Visby during Almedal Week in July 2016. The theme of the seminars was “The public purchasing of tomorrow”. One of the seminars was “Together, against corruption”, in collaboration with the Swedish Anti-Corruption Institute and various other parties.

4.3.8. Op-ed articles and statements

70. The SCA has actively taken part in the public debate of competition related issues. Staff has issued statements to decision-makers and purchasers in the government, municipalities and county councils. The debate articles and statements issued can be found on our web site.

4.3.9. Stakeholder’s views

71. The SCA conducted its 24th consecutive survey on stakeholders’ perception of the SCA’s supervision, their knowledge of applicable regulations and their confidence in the SCA. The stakeholders questioned were: large companies (200 employees or more), SMEs (fewer than 200 employees), trade associations, municipal authorities and county councils, corporate lawyers, financial journalists and a group comprising public

authorities and agencies. These findings are used when prioritising information initiatives and other activities for the coming year. The survey involved around 1,000 participants.

72. In a weighting of the various stakeholder groups, the majority, 63 per cent, responded that they have a high or very high level of confidence in the SCA, which is slightly lower than last year.

73. A little over half of those surveyed have a positive attitude to the Competition Act. Large companies are the most positive, whilst financial journalists are the most negative. 83 per cent think that it is good that the Authority communicates clearly which cases it prioritises.

74. All stakeholder groups still have a very positive attitude toward competition. 44 per cent believe that there are operators that consciously violate competition laws quite or very often. The majority, 61 per cent, believe that the Authority actively works to counteract serious infringements of competition laws. This is an increase compared with 2015 (55 per cent).

75. The general level of awareness of competition legislation remains high. 55 per cent answered that they know that the SCA is responsible for the enforcement of the Competition Act. This is less than the 73 per cent from last year. 89 per cent responded that they are aware of the Competition Act.

76. Knowledge of the main areas covered by competition legislation remains high. For example, 94 per cent of respondents stated that they were aware that there are prohibitions against anti-competitive collaborations. 94 per cent know that mergers can be stopped, and 93 per cent are aware that there are prohibitions against abuse of a dominant position.

77. Amongst those who have contacted us in connection with competition and procurement cases, the percentage that have a positive overall view of how the Authority handled the case is 63 per cent. The percentage of those who were dissatisfied is largely unchanged.

4.4. International work

4.4.1. European Competition Network

78. Within the European Competition Network (ECN), the SCA maintains a close working relationship with the European Commission and the competition authorities of the member states in the application of Articles 101 and 102 under the TFEU.

79. During 2016 the Commission and the competition authorities of the member states reported 145 new cases to the network.

80. The national competition authorities are obligated to consult the Commission before reaching decisions under Articles 101 and 102 of the TFEU. In 2016, the Authority consulted with the Commission on one such matter.

81. *Cooperation on merger control:* During 2016 the SCA has participated in six of the Advisory Committee's meetings regarding the Commission's merger controls. Furthermore, the national competition authorities have a special working group that is charged with promoting greater cooperation on merger controls. In 2016 the Authority took part in three meetings organised by the working group.

82. *Nordic cooperation:* The Nordic competition authorities have enjoyed close cooperation for many years. Sweden hosted the latest annual meeting. Discussions included: how best to achieve competition neutrality, countervailing buyer power in mergers, and strategic communication and advocacy.

83. Within the framework of the Nordic cooperation there are also special working groups, such as the cartel network, whose members are authority employees who work specifically with cartel investigations. Iceland hosted this year's meeting. In addition to physical meetings, teleconferences are held regularly to update members on the activities of each authority.

84. The SCA is part of a Nordic cooperation agreement that also involves Denmark, Iceland and Norway. In 2016, the Authority requested a negotiating mandate from the government to negotiate a revised Nordic agreement in order to safeguard more effective application of the countries' national competition legislation. On 26 January 2017 the Swedish Government decided to authorise the SCA to negotiate a new cooperation agreements with the Nordic countries.

85. *OECD:* During 2016, the Competition Committee within the Organisation for Economic Cooperation and Development (OECD) held two meetings in which the SCA participated. During 2016, the SCA's Director General was a member of the bureau that prepares the Competition Committee's agenda.

86. *ICN:* Competition authorities around the world cooperate within the International Competition Network (ICN). The SCA actively participates in all of the network's five working groups. Since May 2015, Sweden has been chair of the Advocacy Working Group. The chairmanship is shared with the competition authorities in Italy and Mexico.

87. During 2016 the focus has been on the production of a handbook and brochure about how competition authorities can best conduct market studies. The Authority's Director General took part in the Working Group's workshop in November, where the Authority shared experiences regarding how to work strategically to promote competition within public procurement.

88. Authority employees in the Merger Working Group have participated in a project that aims to revise and update the ICN's recommendations relating to merger notifications. The Authority was also represented at a round table discussion of the same subject held in December.

89. Within the Cartel Working Group, two Authority employees participated as speakers in the Group's annual workshop on cartel-related issues.

90. The SCA was involved in the planning of a workshop within the scope of the Agency Effectiveness Working Group. Staff members also participated in panel debates concerning both project management and how competition authorities can introduce efficient ethical rules in respect of corruption and conflicts of interest.

5. Resources of the SCA

5.1. Resources overall

5.1.1. Annual budget

2015: SEK 138,7 million, or 14,8 million EURO (average exchange rate for 2015).¹⁰

2016: SEK 140,9 million, or 14,9 million EURO (average exchange rate for 2016);

5.1.2. Number of employees

91. In total, there was 141 staff working at the SCA during 2016¹¹. Out of these, 124 work on competition issues and more specifically 118 as non-administrative staff. Among the non-administrative competition staff, there are 60 lawyers, 39 economists and 8 with other type of functions.

5.2. Human resources (person years) applied to:

92. Enforcement against anti-competitive practices and merger review: 110 (no. of employees in competition enforcement department, department for communications and international affairs, legal department and chief economist's department)

93. Advocacy efforts: 8 (no. of employees in Advocacy Department)

5.3. Period covered by the above information: 2016.

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

94. Reports issued during 2016 with references to where they can be downloaded and a brief description of their contents are found in section 3.1.1 Reports.

¹⁰ The figures represent the budget allocation to the SCA as stipulated in the Government Appropriation Directive for 2016 as well as 2015.

¹¹ The number 141 constitutes full-time equivalents (FTE) for 2016.