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**2020-2023**

**Kosovo Competition Authority**

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**Keynote by the Chairman**

Valon Prestreshi,   
Chairman, Kosovo Competition Authority



It is evident that the market economy with free competition works best all over the world. The economy of the Republic of Kosovo has moved from a planned economy to a market economy by seeking to increase export capacities and consequently to decrease its trade deficit.

In order to ensure that the enterprises operating in the market of the Republic of Kosovo compete in a fair and trustworthy manner among one-another, by not coordinating their economic activities which would significantly impact on and disrupt market competition, the Assembly of the Republic of Kosovo drafted and passed Law No 03/L-229 on the Protection of Competition, and along with this law, established an independent institution based on the provisions of this law - the Kosovo Competition Authority - to prevent and stop these illegal behaviours in different enterprises.

First of all, I would like to note the fact that fair competition is the best way of protecting consumers by fighting, in an efficient way, cartels and coordinated practices of enterprises in the market. Our institution seeks to promote fair competition and to ensure consumers lower prices and wider choices.

A competitive environment enables more sustainable economic development. In addition, competition encourages innovation. Therefore, enterprises which are in a position to compete can create and secure new and sustainable jobs.

The Authority attaches special attention to communication with different interest groups and important authorities of the State. In every single case, we make sure that communication with the public is as transparent and appropriate as possible in line with the main characteristics of different stakeholders.

The unique mission of the Authority, as guarantor of free and effective competition in the market, will remain one of the major priorities of our work in the years 2020-2023. The Authority will remain a committed advocate of free competition and the interests of consumers by believing that, only in this way, can it accomplish its final goal of more development and wellbeing for all.

Thank you.

# **INTRODUCTION**

The Kosovo Competition Authority was established by the Assembly of the Republic of Kosovo on 7 November 2008 pursuant to the Law on the Protection of Competition, No 2004/36.

The Authority is a legal entity with public authority which works independently on the basis of the provisions of Law No 03/L-229 on the Protection of Competition, amended by Law No. 04/L-226. The Authority reports to the Kosovo Assembly on an annual basis. The Commission on Protection of Competition is a collegial body that manages the work of the Authority and is made up of five members, including the Chairman of the Commission and the Deputy Chairman.

The Chairman of the Commission chairs, organises and oversees the work and activity of the Authority and is responsible for the Authority’s professional work. The KCA Secretariat is an administrative body which has legal competences to investigate cases and, following investigations, it prepares reports to be submitted to Commission for decision making.

# **EXECUTIVE SUMMARY**

Competition policy is a necessary element of the free market which functions by ensuring that all enterprises compete in an equal and fair manner on the basis of their merits.

The goal defined in the Law on the Protection of Competition relies on three main pillars which regulate the protection of competition.

* Forbidden agreements in the form of cartels
* Abuse of dominant positions
* Mergers or concentrations of enterprises

This institution conceptualizes its function as the promotor and advocate of competition and the interests of consumers and businesses with the final goal of the market generating development.

In line with its vision and mission, the values and principles that characterise the Competition Authority: **transparency and cooperation, integrity and impartiality, quality, efficiency and effectiveness** have been defined**.**

The main pillar of this strategy comprises the Authority’s strategic objectives, which were carefully selected as a target for the period 2020-2023. These are:

1. Strengthening the professional and administrative capacities for the implementation of the Law on the Protection of Competition.

1. Promotion of competition policies; and
2. Implementation of obligations stemming from the European integration process

The goal is that the KCA becomes a modern competition authority, with a functioning organisational structure to ensure solid performance, adherence to the law, satisfaction of entrepreneurs operating in a competitive market and encouragement of unhindered economic development. Competition is one of the key contributors to economic growth.

Implementation of the KCA Strategy will be supported by an action-plan to promote principles of free competition and to fill the legal gaps in completing the legal framework as part of the alignment of Kosovo competition law with the EU acquis.

The Authority will strengthen cooperation with sector regulators to ensure that competition is respected during the drafting and implementation of public policies regulating the main sectors of economy.

Through advocacy, the Authority will ensure increased support for its performance. Promotion and advocacy for a more competitive market will give a special emphasis to the drafting of advanced guidelines in achieving of these objectives.

Specifically, our engagements for the period 2020-2023 will focus on drafting **an action plan on the promotion of competition policies** and the provision of expertise and advice on competition policies for the Government and other institutions.

The Competition Authority also enjoys support from international donors and partners with current and planned donor projects supporting the the Competition Authority.

In addition to many activities, a SWOT analysis for the KCA has been carried out and EU reports and projects supporting the work of the Competition Authority have also been taken into consideration.

# **Vision**

The vision of the Authority is to ensure and promote free and effective competition and to encourage enterprises to increase efficiency and innovation, by encouraging continued economic development so that the consumer can benefit from a competitive market.

# **Mission**

The mission of the Authority is to develop activities that create conditions for the markets to offer more benefits for consumers, businesses, and society in general, by protecting competition in the market and by promoting a culture of competition in Kosovo. The Authority does this by implementing competition rules and through actions which seek to ensure fair competition between the interests of other public authorities. Competition policy is a necessary element of a free market which functions by ensuring that all enterprises compete in an equal and fair manner based on their merits.

This is also reflected in the goal envisaged in the Law on the Protection of Competition which relies on three main pillars for the protection of competition:

* Control of abuses of dominant positions
* Forbidden agreements in the form of cartels
* Regulation of mergers and concentrations of enterprises

This institution conceptualises its function as a promotor and advocate of competition and the interests of consumers and businesses with the final goal of generating market development.

**VALUES AND PRINCIPLES OF THE COMPETITION AUTHORITY**

**Transparency and cooperation**

Through different forms of communication, we will engage to present the activities and achievements of the Authority to interest parties and the public by emphasizing the benefits of competition for consumers, businesses and its effect on the economic development of Kosovo.

We will work with our partners to advance competition and to promote a functioning and efficient market.

## **Integrity and impartiality**

We will work with integrity and honesty and in an impartial manner in the interests of the public. This requires an approach based on the principles of the Law on the Protection of Competition. Our decisions are based on facts, arguments and correct judgment. We are committed to protecting confidentiality of sensitive information.

## **Quality**

We seek higher quality in legal assessment, economic analyses and the sharing of expertise with other institutions, partners and interested parties to improve the quality of assessment.

**Efficiency and Effectiveness**

Promotion of activities to ensure import results in the market also offers full procedural security for the parties and efficiency in the use of resources.

We have opted for these values because we consider that they represent the things we believe in and that are most important and we commit to implement the mission and accomplish our vision. We intend that these values are visible in everything we do.

# **Strategic objectives of KCA**

1. Strengthening the professional and administrative capacities for the implementation of the Competition Law
2. Promoting Competition policies
3. Fulfilling the obligations arising from the European integration process

## **OBJECTIVE -I- PROVIDING PROFESSIONAL AND ADMINISTRATIVE CAPACITIES IN COMPETITION LAW IMPLEMENTATION FUNCTION**

The main goal of this objective is to strengthen the KCA's institutional and administrative capacity to facilitate a high level of performance and increase the number of well-founded decisions under competition law. Furthermore, the functional capacity and operational independence of the KCA needs to be increased. Activities under this objective aim to improve the overall institutional and administrative capacity of the KCA so that it is in a position to enforce competition rules effectively, efficiently and transparently.

The KCA will review the organizational structure and the performance and training of Authority officials to provide a Training Programme that will serve as a basis for implementation. This will allow flexibility in the preparation and implementation of trainings and their adaptation to the specific needs that may arise during implementation.

The goal is for the KCA to becoime a modern competition authority, where mandates, strategy, decision-making processes, functionality, standard operating procedures, human resources plan, objectives and key performance indicators can be monitored regularly through the use of IT, where the information produced and handled by the institution is available in real time. Part of this objective will include an action plan to identify legal gaps to complete the legal framework in the context of approximation with the EU acquis.

The Authority will carry out sectoral analyses which are an essential tool for the application of competition rules, as they enable the KCA to become familiar with the application of competition rules in a given sector of the economy by looking at the institutional structure, regulatory framework, characteristics of market structure, capacity constraints, investments, barriers to entry for new market players, common commercial practices, pricing etc. These analyses will provide the KCA with an overview of the state of competition in specific markets - resulting in recommendations for amending existing legislation or, in some cases, investigations of competition violations.

The realisation of this objective will be implemented through these activities:

## **OBJECTIVE -II- PROMOTION OF COMPETITION POLICIES**

Competition enforcement should be the result of a concerted effort at the government level, as competition is applied horizontally across all sectors of the economy. This objective, therefore, aims at establishing or strengthening in Kosovo such coordination vis-à-vis line ministries, sector regulators, government agencies and other relevant institutions which will be the main beneficiaries of this objective together with the KCA.

The Authority will deepen cooperation with sector regulators to ensure that competition is respected while designing and implementing State policies that regulate key sectors of the economy.

Coordination regarding economic regulation may affect relevant market determination, the identification of companies having significant market power, the identification of remedies to promote *ex-ante* or *ex-post* competition, exchange of information, including confidential information, professional opinions, recommendations, opinions, violations, etc.

Another goal within this objective is to achieve harmonisation and enforcement of legislation and cooperation with public authorities.

The Authority will endeavor to propose amendments to ensure compliance with competition law and principles, while preserving, to the extent possible, the objective of sectoral policies.

### **Promotion and awareness of competition policy**

The Authority will engage in promoting a culture of competition at all levels, including State Institutions, Courts, Businesses, Universities, Bar Associations, Consumer Associations, NGOs and the Media, by raising awareness of the role of fair market competition and of different types of competition violations.

This objective also includes activities related to the KCA's presence as an institution, through the use of media.

Through advocacy, the Authority will provide more support for its work. Promotion and advocacy for a more competitive market will give a special emphasis to the drafting of advanced guidelines in achieving of these objectives.

Competition is a major contributor to economic growth. Kosovar consumers have shown an interest in stronger competition and more choice through the rapid adoption of innovative products and services in the regulated and non-regulated sectors. The Authority promotes competition policy so that innovative business models are encouraged. This is an opportunity for continued economic growth by offering consumers lower prices, better services and higher product quality.

### COOPERATION WITH PARTNERS

The Authority will continue its co-operation efforts by strengthening partnerships with other competition authorities. Being part of the European integration process, a member of the International Competition Network (**ICN), UNCTAD**, the Regional Competition Center (**RCC**) and the Sofia Competition Forum (**SCF**), as part of the co-operation process between the competition authorities in the region, it will be engaged in strengthening co-operation and on an established institutional basis.

**The signing of Memoranda of Understanding** with other peer authorities as well as participation in such multilateral organisations will promote greater cooperation and develop best practices.

Increasing the level of enforcement of competition law will be a good opportunity to promote an environment that will be attractive to foreign investors in Kosovo.

### OUR COMMITMENTS FOR 2020-2023

In order for the Authority to promote a culture of competition through advocacy, staff must first ensure that they have appropriate skills to do so. All activities that will be implemented under this objective will also consider transferring skills to KCA staff.

To achieve this objective, activities will be developed through the organisation of seminars, different workshops, lectures at Universities, presentations of activities on the web page of the Authority, social networks, media presentations of KCA officials, the printing and dissemination of promotion materials etc.

## **OBJECTIVE -III-IMPLEMENTING OBLIGATIONS DERIVING FROM THE EUROPEAN INTEGRATION PROCESS**

Kosovo’s Membership in the European Union (EU) is the country’s most important strategic objective. The EU represents the largest political and economic union in the world, promoting standards and values that are in compliance with our country’s aspirations. EU integration is considered primarily a process which is related to fulfilling standards and criteria’s.

### IMPLEMENTATION OF SAA CHAPTER 8

The SAA Agreement between the European Union and the Republic of Kosovo entered into force, on 1 April 2016.This Agreement aims to implement all reforms for the adoption of the EU acquis in national legislation in all its chapters.

Under the SAA, Chapter 8 is dedicated to Competition which includes competition policies and State aid control policies.

The Chapter contains legislation, rules and procedures for the regulation of anti-competitive behaviours of enterprises such as prohibited agreements between enterprises and abuses of dominant positions in the market.

The Stabilisation and Association Agreement, on the other hand explicitly sets out a number of obligations for Kosovo, included under Title VI, namely Articles 74-75 of the SAA.

The Agreement aims to gradually approximate Kosovo legislation with the EU acquis, ensure it’s effective implementation and the provision of monitoring and transparency mechanisms compatible with EU rules.

In essence, this has to do with:

The Competition Authority should also take into account requirements arising from other EU accession mechanism, such as: the EU Country Report on Kosovo, Conclusions of Committee and Sub-Committee on the Internal Market, Competition and Consumer Protection.

In addition to SAA the European Reform Agenda (ERA) is as well implemented, which sets out priorities at political level and concrete reforms and their fulfillment, and as such is linked to this program.

# **DONOR SUPPORT**

Kosovo Institutions are supported by the European Commission (through IPA) and also other bilateral donors with the following projects:

Current and planned donor projects for the Competition Authority:

* EU Project through IPA II funds 2014-2020 “Technical Assistance - EU support to Kosovo Competition Authority and State Aid Commission” which started in 2019 and will continue until 2022 with a total cost of 3 million euro.

* Twinning Project with Lux Development, from this project the Authority will receive trainings in the field of Market Analysis.

Being a member in the International Competition Network **(ICN),** **UNCTAD**, the Regional Center on Competition **(RCC), the** Sofia Competition Forum **(SCF), the** Kosovo Competition Authority has an important role in the European integration process.

As part of the cooperation process among other regional competition authorities, the KCA will be engaged in strengthening cooperation with other competition authorities aiming for the signature of Memoranda of Understanding with other peer Authorities, participation in multilateral organisations and strengthening cooperation and developing best practices.

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# ***ANNEXES***

**1. SWOT ANALYSIS**

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| --- | --- |
| **STRENGTHS:** | **WEAKNESSES:** |
| 1. Institution Independence, 2. Public Transparency, 3. Commitment to the professional and effective implementation of LCP, 4. New and diligent staff, 5. Credibility and experience in handling cases, 6. Promoting competition culture. | 1. Insufficient capacities, 2. Incomplete legislation, 3. Lack of expertise and specific knowledge of competition, 4. Insufficient cooperation with stakeholders, 5. Low level of implementation of professional, 6. Lack of competition knowledge by the Kosovo Courts. 7. Insufficient budget for the implementation of activities 8. Lack of workspace, 9. Lack of a Software application, 10. Lack of public visibility, 11. Lack of public relation office, |
| **OPORTUNITIES:** | **THRETS:** |
| 1. Professional development through projects supporting KCA, 2. Awareness raising of competition from other stakeholders 3. Increasing inter-institutional cooperation 4. Increasing courts knowledge on competition cases through projects supporting KCA, 5. Increase the role of the KCA through professional opinions, recommendations and opinions. | 1. Loss of institutional independence (Law on the State Administration), 2. Possible changes in government policy, 3. Lack of support from the Institutions, 4. Spending the budget inadequately. |

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# **2. ORGANISATION CHART**

