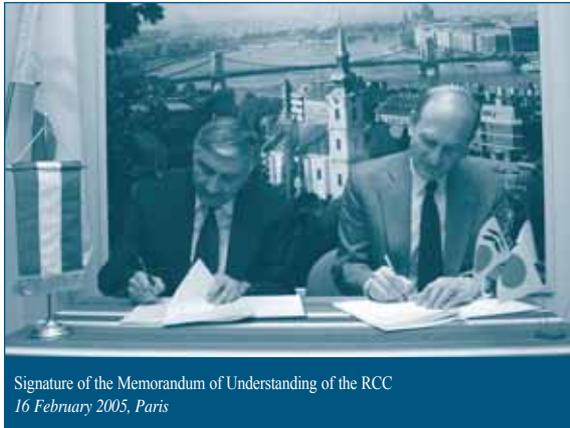


**OECD-GVH REGIONAL CENTRE FOR COMPETITION IN BUDAPEST (HUNGARY)**

**Annual Activity Report, 2010**

## I. INTRODUCTION AND ORGANISATIONAL SETUP



Signature of the Memorandum of Understanding of the RCC  
16 February 2005, Paris

The OECD-GVH Regional Centre for Competition in Budapest (Hungary) (RCC) was established by the Gazdasági Versenyhivatal (GVH, Hungarian Competition Authority) and the Organisation for Economic Co-operation and Development (OECD) on 16 February 2005 when a Memorandum of Understanding was signed by the parties. The main objective of the RCC is to foster the development of competition policy, competition law and competition culture in the South-East, East and Central European region and to thereby contribute to economic growth and prosperity in the region.

The RCC provides capacity building assistance and policy advice through workshops, seminars and training programmes on competition law and policy for officials in competition enforcement agencies and other parts of government, sector regulators, and judges. The RCC also works to strengthen competition law and policy in Hungary and the GVH itself.

The RCC's work focuses on four main target groups. The first set of economies involved in the framework of the RCC are the economies of South-East and Eastern Europe, namely Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kosovo, Kyrgyzstan, FYR of Macedonia, Moldova, Montenegro, Romania, the Russian Federation, Serbia and Ukraine. The work targeting these economies is regarded as the core activity of the RCC. These countries share a history of centrally planned economies and the RCC aims to assist them as they move towards market economies. The economies in South-East and Eastern Europe have all progressed with the development of their competition laws and policies, but are at different stages in this process. As a consequence, the needs for capacity building differ among European non-OECD member economies, which necessitates a broad approach to competition outreach work. Major capacity building needs in South-East and Eastern Europe include (a) enhancing analytical skills in competition law enforcement, (b) raising the awareness of the judiciary regarding the specific characteristics of competition law adjudication, (c) pro-competitive reform in infrastructure sectors, (d) competition advocacy, (e) relations between competition authorities and sector regulatory agencies, (f) legal and institutional reform in the competition area, and (g) building international co-operation and networking.

The second group of beneficiaries of the work of the RCC are the countries which belong to the Central European Competition Initiative (CECI). This Initiative aims to provide a forum for co-operation on competition matters and was established by the Central European competition authorities in 2003. It is a network of agencies (not of states) and operates via workshops and informal meetings. The countries that are involved in this project are Austria, Czech Republic, Hungary, Poland, Slovakia and Slovenia. These countries all belong to the same geographic region, share fundamentally similar cultural traditions and historical experiences and are, more or less, at the same stage of development. As a result, their competition authorities face several common challenges and difficulties. Moreover, from time to time these authorities deal with markets which are regional, overlapping or which are connected to each other, and they may also on occasion deal with the same parties (the same companies within the region).

The third beneficiary of the RCC's work is the GVH itself. The RCC organises training for the GVH's staff on different topics of competition law and policy. The agendas of these workshops are related to ongoing projects or "hot" topics and provide an excellent opportunity for staff to learn about state-of-the-art antitrust theory and enforcement practices.



Seminar on European Competition Law for Competition Law Judges – 12-13 February 2010, Budapest

Judges represent the fourth target group of the RCC's activities. The seminars that are offered to judges provide them with an opportunity to improve their understanding of competition law and economics, to exchange views on the latest developments in EU competition law, and to discuss the key challenges arising in competition law cases from a judicial perspective. These seminars are organised jointly by the RCC and the Competition Division of the OECD, in co-operation with the Association of European Competition Law Judges (AECLJ).

Concerning the functioning of the RCC, the Memorandum of Understanding of the RCC provides that the GVH and the OECD are to make major decisions on their activities and work jointly. For this purpose, the parties meet on an annual basis to review the operation and performance of the RCC and to prepare the annual plan and budget statements.

Regarding the financing of the RCC, the GVH is responsible for providing most of the necessary funding for the functioning of the RCC and also for making an annual voluntary contribution to the OECD for costs associated with the staff position in Paris. The OECD helps to co-finance the RCC's operation and activities. In addition to this, both the GVH and the OECD co-operate in efforts to raise additional financial support for the RCC from third parties.

## II. OVERVIEW OF THE ACTIVITIES OF THE YEAR 2010

2010 was the sixth year of the RCC's activity. In 2010, similarly to the previous years' experience, the RCC offered a wide variety of topics across its numerous programmes during the course of the year. The RCC organised a total of eleven events, which focused on some of the most important core competences of competition authorities as well as on best practices in the area of competition law. Aside from its regular seminars, the RCC continued with its special initiatives: (i) seminars on competition law for European judges, of which two were organised in 2010 and (ii) a seminar organised in one of the beneficiary economies. The RCC also launched a joint initiative with the Federal Antimonopoly Service of the Russian Federation (FAS Russia), whereby: the RCC conducted a seminar in Moscow, Russia, for competition enforcers of the CIS countries, sharing the organisational costs with FAS Russia.

Table N°1: Total number of speakers per country or institution

Country / Institution	Speakers	
	Number	Person-days
Albania	1	1
Armenia	1	1
Austria	1	3
Australia	2	2
Bulgaria	1	1
Croatia	1	1
EU Commission	5	12
France	2	6
Germany	1	4
Hungary (non-GVH)	4	5
Kazakhstan	1	1
Moldova	1	1
Portugal	3	9
Romania	1	1
Russia	1	3
South Africa	1	1
Sweden	5	8
United Kingdom	6	14
United States	9	20
GVH	10	21
OECD	13	30
Aggregate	70	145



Seminar on European Competition Law for Competition Law Judges – 12-13 February 2010, Budapest

1 Person-days are defined as the number of days a person attended a RCC seminar. Thus, if 10 people attended a course for 5 days and 4 people attended a course for 3 days the number of person days delivered is 62 ( $10 \cdot 5 + 4 \cdot 3 = 62$ ).



5<sup>th</sup> anniversary of the RCC: Conference on “Competition policy after the crisis” – 3 March 2010, Budapest

Altogether, over the course of the year, the RCC invited 420 participants and 70 speakers to its events. Through the RCC’s core events it delivered 579 person-days of capacity building.<sup>1</sup> All in all, participants from 41 economies or institutions attended the RCC’s programmes, coming from Albania, Armenia, Austria, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, the Interstate Council on Antimonopoly Policy (ICAP) of the Commonwealth of Independent States (CIS), Italy, Kazakhstan, Kosovo, Kyrgyzstan, Latvia, Lithuania, FYR of Macedonia, Moldova, Montenegro, the Netherlands, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Tajikistan, Ukraine, Uzbekistan and the GVH. Meanwhile, experts from 21 countries and institutions attended as panel members: Albania, Armenia, Austria, Australia, Bulgaria, Croatia, the EU Commission, France, Germany, Hungary, Kazakhstan, Moldova, Portugal, Romania, Russia, South Africa, Sweden, the United Kingdom, the United States, the GVH and the OECD.

### III. DETAILED REVIEW OF THE ACTIVITIES IN THE YEAR 2010

Table N<sup>o</sup>2 provides a brief overview of the topics of the seminars held in 2010 as well as the participating economies and institutions.

Table N<sup>o</sup>2 Summary of activities 2010

Event Topic	Date	Total Number of Participants and Speakers	Attending Economies/Institutions
European judges seminar (a GVH event supported by the OECD and co-financed by the EU Commission): “Private Enforcement of EU State Aid Rules before National Courts”	12-13 February	35 + 7	Bulgaria, Croatia, Czech Republic, Estonia, Finland, France, Greece, Hungary, Latvia, Lithuania, FYR of Macedonia, Romania, Slovenia Speakers: EU Commission, OECD, Sweden, United States

Event Topic	Date	Total Number of Participants and Speakers	Attending Economies/Institutions
<b>5<sup>th</sup> anniversary of the RCC: Workshop on the agency's effectiveness</b>	2 March	28 + 4	Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kosovo, Kyrgyzstan, FYR of Macedonia, Moldova, Montenegro, Romania, Russia, Ukraine Speakers: Australia, GVH, OECD, United States
<b>5<sup>th</sup> anniversary of the RCC: Conference on "Competition policy after the crisis"</b>	3 March	138 + 15	Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Hungary, Kazakhstan, Kosovo, Kyrgyzstan, FYR of Macedonia, Moldova, Montenegro, Romania, Russia, Ukraine Speakers: Albania, Australia, Bulgaria, Croatia, GVH, Hungary, Kazakhstan, Moldova, OECD, Romania, South Africa, United States
CECI seminar on Switching in Banking	8-9 March	13 + 8	Austria, Czech Republic, GVH, Poland, Slovakia Speakers: European Commission, GVH, Hungary, OECD, United Kingdom
<b>Seminar on merger analysis and procedures: Complex mergers and remedies – advanced level</b>	22-26 March	20 + 7	Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kosovo, FYR of Macedonia, Moldova, Romania, Russia, Serbia, Ukraine Speakers: European Commission, Germany, GVH, OECD, Portugal, United Kingdom, United States
<b>Seminar on abuse of dominance: price abuses – intermediate level</b>	10-13 May	19 + 5	Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Kazakhstan, Kosovo, FYR of Macedonia, Moldova, Romania, Russia, Serbia, Ukraine Speakers: France, GVH, OECD, Sweden, United States
<b>Seminar on introductory concepts to competition policy, Yerevan, Armenia</b>	29 June-1 July	39 + 7	Albania, Armenia, Belarus, Bulgaria, Croatia, ICAP, Kazakhstan, FYR of Macedonia, Moldova, Romania, Russia, Serbia, Ukraine Speakers: Armenia, Austria, GVH, OECD, Portugal, United States
<b>Seminar for CIS countries on retail trade – intermediate level, Moscow, Russian Federation</b>	28-30 September	33 + 8	Armenia, Azerbaijan, Belarus, ICAP, Kazakhstan, Kyrgyzstan, Moldova, Portugal, Russia, Tajikistan, Ukraine, Uzbekistan Speakers: France, GVH, OECD, Portugal, Russia, United Kingdom, United States

Event Topic	Date	Total Number of Participants and Speakers	Attending Economies/Institutions
European judges seminar (a GVH event supported by the OECD and co-financed by the EU Commission): "Restrictive Agreements and Article 101: Recent Trends and Evidentiary Issues"	19-20 November	62 + 4	Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, FYR of Macedonia, Netherlands, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden Speakers: OECD, Sweden, United Kingdom, United States
<b>Advanced level hypothetical seminar</b>	6-9 December	20 + 4	Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Kosovo, FYR of Macedonia, Romania, Serbia Speakers: GVH, OECD, United Kingdom
GVH Staff training	13-14 December	13 + 1	GVH Speaker: OECD

In addition to the seminars themselves, the RCC usually offers additional programmes to encourage networking and the sharing of experiences among the participants. Besides sightseeing tours, these programmes sometimes involve a visit to the GVH headquarters, where the activity of the GVH and the RCC is explained in detail. Table N°3 provides an overview of the number of workdays per regular seminar and the additional days the participants spend in Budapest.

**Table N°3: Number of seminar workdays in 2010**

Topic	Date	Number of workdays	Additional days
Seminar on European Competition Law for Competition Law Judges	12-13 February	2	0
5 <sup>th</sup> anniversary of the RCC: Workshop on the agency's effectiveness	2 March	1	0
5 <sup>th</sup> anniversary of the RCC: Conference on "Competition policy after the crisis"	3 March	1	0
CECI seminar on Switching in Banking	8-9 March	2	0
Workshop on merger analysis and procedures	22-26 March	4	1
Workshop on abuse of dominance	10-13 May	3	1
Seminar on introductory concepts to competition policy, Yerevan, Armenia	29 June-1 July	3	0
Seminar for CIS countries on retail trade, Moscow, Russian Federation	28-30 September	3	0
Seminar on European Competition Law for Competition Law Judges	19-20 November	2	0
Advanced level hypothetical seminar	6-9 December	3	1
GVH Staff training	13-14 December	2	0
<b>Total number of seminar workdays in 2010</b>		<b>26</b>	<b>3</b>

## A) 1. Standard programmes in the framework of the core activity

### a) 22-26 March: Workshop on merger analysis and procedures

The RCC conducted a workshop on merger analysis for twenty competition law enforcers from fourteen Eastern and South-East European economies.

The programme covered all relevant issues related to merger control enforcement, including such essential steps as defining the relevant market, analysing the market structure, assessing any harm to competition and imposing remedies. It dealt specifically with the added difficulties of managing complex merger cases, which included analysing challenging analytical issues, complex contractual arrangements, sophisticated technologies and complex regulatory regimes and managing internal organisational difficulties. As most of these mergers led to some form of remedy, participants also discussed the imposition or negotiation of remedies in these types of cases. The topics were addressed and discussed in lectures by competition experts from OECD countries and in case studies presented by the participants.

The experts gave eleven presentations during the seminar. The topics ranged from the specific difficulties of complex mergers to the definition and assessment of the correct remedies, discussing the advantages and drawbacks of structural versus behavioural remedies, the role of trustees and the presentation of several complex merger cases with negotiated remedies.

On the first day of the workshop, João Pearce Azevedo from the RCC introduced the topic of complex mergers and remedies. He was followed by Dag Johansson from the European Commission, Directorate-General for Competition (DG-COMP) who gave an introduction to EU merger control. This was followed by the presentation of an EU case study where a merger in the Scandinavian motor fuel market was analysed, this included a discussion on the market definition, vertical effects and the negotiation and implementation of remedies. Later, Tibor Szántó from the GVH shared with participants the practical insights gained at the Hungarian Competition Authority from dealing with complex remedies. The day ended with a presentation from Patricia Brink from the US Department of Justice (DOJ), where the questions arising from managing complex mergers and remedies were illustrated by looking at several US case studies.



5<sup>th</sup> anniversary of the RCC: Conference on "Competition policy after the crisis" – 3 March 2010, Budapest



5<sup>th</sup> anniversary of the RCC: Workshop on the agency's effectiveness – 2 March 2010, Budapest

The second day began with a presentation by Dag Johansson, in which he detailed the EU approach to remedies in merger cases. In the afternoon, Graeme Reynolds from the UK Competition Commission (CC) talked about the challenges of using partial divestiture as a remedy in merger control. Finally, Sabine Zigeliski from the Bundeskartellamt talked about the type of remedies favoured by her agency in merger cases.

On the third day there was a hypothetical merger analysis session where the participants were split into two groups. Each group was then asked to analyse the case and to present their conclusions in another session. João Pearce Azevedo ended the session by presenting the real merger case on which the hypothetical case was based. In the afternoon, António Gomes from the Portuguese Competition Authority (AdC) detailed the Portuguese experience in dealing with complex remedies and negotiating remedies.

On the last day, Patricia Brink talked about the challenges of achieving the right remedy in divestiture situations.

## **b) 10-13 May: Workshop on abuse of dominance**

The RCC conducted a workshop on price related abuse of dominance for nineteen competition law enforcers from fourteen Eastern and South-East European economies. The workshop consisted of a series of presentations on the theory and practice concerning: price related abuses of dominance in general, predatory pricing, excessive pricing and discriminatory pricing.

An unusual feature of this event was that the OECD-GVH Regional Centre for Competition in Budapest (Hungary) had exchanged its dedicated OECD staff member with the equivalent from the OECD-Korea Policy Centre. This enabled the cross-fertilisation of ideas and practices between the two centres and the specific events concerned drew on the complementary strengths of the two OECD staff members (one of whom was an economist and one of whom was a lawyer).

The topics were addressed and discussed in lectures and case studies by competition experts from OECD countries as well as case studies presented by participant economies. The experts gave six presentations during the seminar. The topics ranged from the theory of law, policy and economics in price related abuse cases in major competition jurisdictions to the practical application of this theory in key French, Swedish and US cases.

On the first day of the workshop, Nicolas Taylor from the OECD-Korea Policy Centre gave an overview presentation on price related abuse of dominance cases. The rest of the first day was devoted to price predation with the US Federal Trade Commission representative, Gary Schorr, providing an overview of price predation and the representative of the French Autorité de la Concurrence, Stanislas Martin, discussing five determined and pending cases.

The presentations during the second day were focused on excessive pricing. Csaba Kovács from the GVH presented the policy considerations that need to be taken into account when deciding on when to take action, and proposed ‘filtering’ criteria that can be used by authorities in deciding whether to take excessive pricing cases. Arvid Fredenberg from the Swedish Competition Authority discussed a case in which the Authority was to shortly make a determination about whether or not there was excessive pricing to be corrected. Garry Schorr explained a different approach to excessive pricing cases.

The third day focused on price discrimination. Nicolas Taylor gave a presentation on the economics, law and policy of price discrimination to illustrate that price differences can often be pro-competitive but that there are circumstances in which price discrimination can be anticompetitive and illegal.

### **c) 6-9 December: Advanced level hypothetical seminar**

The RCC conducted a workshop on the assessment of vertical restraints for twenty competition law enforcers from nine South-East European economies. The programme aimed to provide a rigorous introduction to the analysis and assessment of the competitive effects of vertical agreements between trading parties in a supply chain. Participants were introduced to the analysis of a wide range of vertical restraints that can serve to prevent, restrict or distort competition but that may at the same time yield important efficiency benefits, thereby requiring a careful assessment to determine the net economic impact, where both anti- and pro-competitive effects may be present. In addition to a general introduction to the subject, with worked examples for illustration and discussion, the programme centred on a hypothetical case study that required participants to undertake an economic assessment of a complex set of distribution and supply arrangements involving different vertical restraints in an industry where there was a complaint that these arrangements operate in an anti-competitive manner.

The hypothetical case was designed to illustrate both the pro- and anti-competitive effects commonly associated with vertical restraints and to highlight that cases often have an important historical background in how vertical agreements have developed over time and why economic assessment is suddenly required (e.g. because of a change in industry circumstances or, as with the case here, a change in the legal treatment of vertical restraints).



5<sup>th</sup> anniversary of the RCC: Workshop on the agency's effectiveness – 2 March 2010, Budapest



CECI seminar on Switching in Banking – 8-9 March 2010, Budapest

The author of the hypothetical case study, Professor Paul Dobson from the University of East Anglia, also managed its implementation during the seminar. Participants were organised into investigative teams of 4-5 case handlers and had to review documents, interview witnesses and decide on a course of action. There were four experts during the seminar that acted as speakers and trainers. They were: Paul Dobson from the University of East Anglia, João Azevedo from the RCC, Frank Maier-Rigaud from the OECD Competition Division, and Csaba Kovács from the GVH. Paul Dobson presented the hypothetical case study, while each one of the experts managed a separate breakout group.

On the first day of the workshop, Paul Dobson proceeded to give an introduction to the economic and legal analysis of vertical arrangements. He presented a definition of vertical restraints and the motivations for using them. He also detailed the types of vertical restraints, their benefits and anti-competitive effects. During the afternoon, and building on the opening session, he presented a range of brief examples based on the EC guidelines on vertical restraints as a foundation for discussing how to evaluate different forms of vertical restraints for different market circumstances. This led through to the introduction of the hypothetical case study on newspaper and magazine distribution arrangements in the fictional country of Newtopia.

On the second day, the participants were separated into four investigative groups, each one of them managed by a trainer. During the first session of the day, the breakout groups had to evaluate a joint submission by publishers and wholesalers defending an industry-wide exclusive distribution system for newspapers and magazines. Each group was given the task of assessing the parties' arguments and supporting evidence on the economic advantages of the existing newspaper and magazine distribution system and the need for different vertical restraints to ensure its efficiency and promotion of competition, as well as the stated reasons as to why the system was not anticompetitive.

In the afternoon, the breakout groups were asked to review the submissions by the associations of small and big retailers of Newtopia, who had complained that the exclusive distribution system referred to above was anticompetitive. This session allowed for the arguments and evidence that were put forward by these associations to be considered. There was also an opportunity for participants to interview Professor Nozbod, the author of the report prepared by the publishers and wholesalers in defence of the exclusive distribution system.

During the last day of the seminar, the case study was drawn to a conclusion with participants having to make a judgement on the case as to whether the competition authority should decide that the arrangements were consistent with competition law or whether it should decide to oppose the exclusive distribution system, deeming the arrangements as illegal and thus requiring them to be discontinued. A third possibility was to permit the exclusive

arrangements but impose behavioural or structural remedies to remedy the breach of competition law. The different groups presented their verdict on the case with a wide variety of conclusions and recommendations, with different views emerging even within the same group. The programme closed with a review of the lessons learnt and with Paul Dobson detailing the real UK case that this hypothetical case study was based on.

**Table N°4: Number of participants and events attended**

Table N°4 gives an overview of the number of participants at the seminars. This summary focuses on the participants of the seminars organised as part of the core activity of the RCC.

Country / Institution	Number of Participants	Person-Days	Events Attended
Albania	5	16	3
Armenia	2	7	2
Azerbaijan	2	7	2
Bosnia and Herzegovina	4	13	3
Bulgaria	4	13	3
Croatia	4	13	3
Georgia	1	4	1
GVH	4	12	1
Kazakhstan	1	3	1
Kosovo	7	24	3
FYR of Macedonia	6	20	3
Moldova	2	7	2
Romania	4	13	3
Russia	5	18	2
Serbia	6	20	3
Ukraine	2	7	2
<b>TOTAL</b>	<b>59</b>	<b>197</b>	



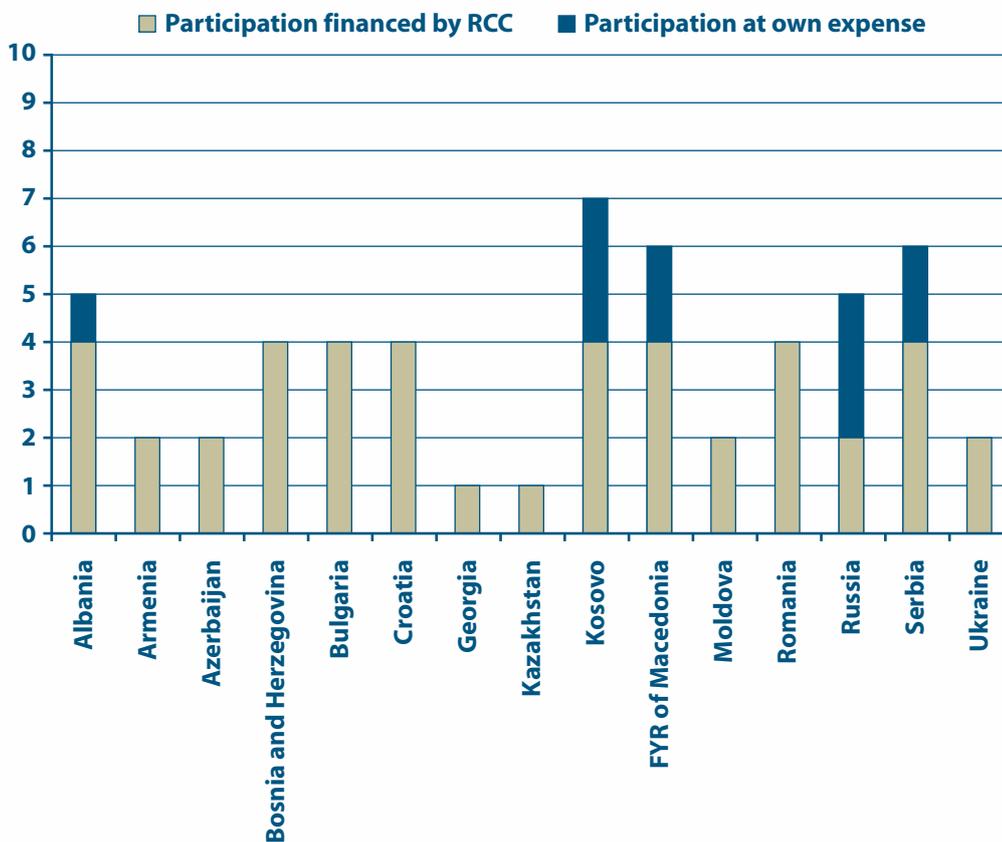
Workshop on merger analysis and procedures – 22-26 March 2010, Budapest



Workshop on abuse of dominance – 10-13 May 2010, Budapest

**Chart №1: Total number of participants per economy in seminars organised as part of the core activity of the RCC**

Chart №1 gives an overview of the number of participants per economy and to what extent participants were financed by the RCC or their institutions.



## A) 2. Special events in the framework of the core activity

The RCC celebrated the fifth anniversary of its foundation in 2010. Two different events were organised as part of the celebrations: a workshop and a conference, which were held over two consecutive days.

### a) 2 March: 5<sup>th</sup> anniversary of the RCC, Workshop on the agency's effectiveness

On the first day, an exclusive meeting was organised for the heads and senior managers of the Eastern and South-East European authorities targeted by the RCC's work. This meeting was devoted to the topic of the effectiveness and management of competition authorities, with the active involvement of all of the participants. The topics of the appropriate strategic planning of an authority's structure, working processes and prioritisation were addressed through the experts' presentations, breakout sessions and discussions. The speakers and moderators of this programme were Professor Allan Fels, Dean of the Australia and New Zealand School of Government, Commissioner William Kovacic from the US Federal Trade Commission, Bernard Joe Phillips, the then Head of the OECD Competition Division and Zoltán Nagy, the then President of the GVH.

### b) 3 March: 5<sup>th</sup> anniversary of the RCC, Conference on competition policy after the crisis

On the second day, on the occasion of its fifth anniversary, the RCC together with the GVH organised a high level ceremony and an international conference on the topic of "Competition policy after the crisis". The conference was divided into two parts.

The first part focused on the role, activity, and achievements of the RCC within the region. Péter Balázs, then Minister of Foreign Affairs gave a lecture on the role of cooperation in the East and South-East European region. He pointed out that the European Union could assist the stabilisation of this territory, inter alia, through the sharing of experiences and the provision of training. Viorica Cărare, General Director of the Moldavian Competition Authority shared their first-hand experiences of receiving assistance provided by the RCC to recently established competition authorities. Aart De Geus, Deputy Secretary-General of the OECD emphasised that the RCC's work had led to improved networks between competition authorities and warned that interventionist policies protecting incumbents and favouring national champions would weaken the long-term prospects of economic recovery. Péter Gottfried, the then



Workshop on abuse of dominance – 10-13 May 2010, Budapest



Seminar on introductory concepts to competition policy – 29 June-1 July 2010, Yerevan, Armenia

ambassador to the Permanent Delegation of Hungary to the OECD, spoke about the benefits of OECD membership, which were inspiration, advocacy and the exchange of information. Zoltán Nagy, the then President of the GVH emphasised the importance of regional co-operation in the field of competition law.

The second part of the conference was devoted to the subject of “Competition policy after the crisis”. In this part of the programme, renowned international and Hungarian experts exchanged views and experiences with each other and the audience, in connection with the activity of the competition authorities after the crisis. The keynote speech was delivered by Professor Frédéric Jenny, Chairman of the OECD’s Competition Committee on the responses to the economic and financial crisis. He outlined the consequences of the crisis and the lessons to be learnt for the future. László Bencsik, Deputy CEO of the OTP Bank represented the opinion of a market actor and lectured on the impacts of the crisis on the OTP’s regional strategy. Bogdan Marius Chirițoiu, President of the Competition Council of Romania noted that this crisis had not started in our region but that we had to face the aftershock. William Kovacic, Commissioner of the US Federal Trade Commission, gave a talk on the lessons that could be derived from past experiences and past crises in order to eliminate current major issues. David Lewis, extraordinary Professor of the Gordon Institute of Business Science, presented the impacts of the crisis in South Africa. On one hand, the South African Government strengthened its competition policy, and on the other hand, it introduced an industrial policy with a major pillar that is quite anti-competitive. Ermal Nazifi, adviser of the Albanian Competition Authority, found flexibility to be the best approach in order to deal with the effects of the crisis. Petko Nikolov, Head of the Bulgarian Competition Authority, regarded structural reforms combined with appropriate competition and regulatory policies to be the best promoters of economic recovery. Olgica Spevec, President of the Croatian Competition Agency, reported that Croatia had to face both the challenges of EU-membership and the new ones arising from a new economic and social situation after the crisis. Mazhyt Yessenbayev, Chairman of Agency of the Republic of Kazakhstan for Competition Protection, stated that one of the most important targets of the Kazakh Government was to define the balance between state regulation and market development. The closing remarks were delivered by Professor Allan Fels, Dean of the Australian and New Zealand School of Government. He explained that well-resourced, well-staffed and well-supported competition agencies were required for a recovery from the global financial crisis.

### c) 29 June – 1 July: Seminar on introductory concepts to competition policy, Yerevan, Armenia

The RCC conducted a workshop on introductory concepts to competition policy for thirty-nine competition law enforcers from thirteen Eastern and South-East European economies. The programme covered such fundamental concepts as market definition, the connection with market power and dominance and the evidence needed to support allegations of single firm abuse. The presentations also covered the correct methodology that should be used to assess the potential distortion of competition resulting from anticompetitive agreements. The topics were addressed and discussed in lectures, exercises in breakout sessions and case studies by competition experts from OECD countries as well as case studies presented by the State Commission for the Protection of Economic Competition of the Republic of Armenia (SCPEC). A roundtable discussion followed each presentation.

On the first day of the workshop, Artak Saboyan from the Armenian Competition Agency gave a talk on the challenges faced by young competition authorities. This was followed by Andrea Belényi from the Hungarian Competition Authority, who detailed the policy that is followed by the GVH in antitrust and merger cases. João Pearce Azevedo from the RCC then presented an introduction to the basic concepts of relevant market, market power and dominance, namely how they link with each other and with the concept of social welfare loss. In the last presentation of the morning, Andreas Reindl from the Fordham Law School talked about the legal principle concerning Article 102, focusing particularly on the most important decisions in the case law.

In the afternoon, João Pearce Azevedo gave a presentation on the different types of abuses and explored the similarities and differences between exploitative and exclusionary abuses and how agencies deal with them. Gergely Dobos from the GVH then detailed the theory behind some types of abuses. His presentation was focused on the practical difficulties that agencies face when assessing such abuses as predation and rebates.

The second day began with a description, by João Pearce Azevedo, of the correct methodology that should be used to assess dominance, this entailed concentrating on both structural and direct evidence of dominance. Rainer Kaltenbrunner from the Bundeswettbewerbsbehörde, the Austrian competition authority based his presentation on the theory and practice of assessing excessive pricing cases and exclusive purchasing agreements. This speech was followed by a series of case studies from the Austrian Competition Authority that dealt with these anti-competitive



Seminar on introductory concepts to competition policy – 29 June-1 July 2010, Yerevan, Armenia



Seminar for CIS countries on retail trade – 28-30 September 2010, Moscow, Russian Federation

practices. The morning session ended with an exercise in breakout groups of a hypothetical case study that was based on a real Austrian court case, where the issues of dominance and market definition had been at the heart of the debate. Each group was then asked to analyse the case and their conclusions were discussed in another session after lunch.

In the afternoon, Andreas Reindl from the Fordham Law School gave a presentation on the application of Articles 101(1) and 101(3) to agreements between competitors. He focused his talk on the analytical approaches to the assessment of a restriction of competition within Article 101 consistent with economic concepts. He highlighted the growing importance of the “effects based” approach, and the more economic approach taken by the European Commission in cases of Article 101 that relies more heavily on key economic concepts such as market power and consumer welfare as evidence. This was followed by João Pearce Azevedo talking about competitive interaction in oligopolistic markets. During that presentation, he detailed the theory of cartels and the methodology for the practical assessment of the likelihood of collusive behaviour of firms. Andreas Reindl then talked about how to assess the indirect evidence of an agreement in the context of Article 101. He relied on several examples from the case law in order to present the legal standard that is required to find an agreement between firms. Manuel Cabugueira from the Portuguese Competition Authority (AdC) presented a few case studies on horizontal agreements on the pharmaceutical and catering services markets. He detailed the strengths and weaknesses of economic evidence in cartel cases and how best to present it in front of a Court.

The last day of the seminar began with a presentation by Azam Usmanov from the Interstate Council for Antimonopoly Policy. In his presentation he talked about the history and the work of the ICAP. Then, Manuel Cabugueira from the AdC gave a presentation on the theory and practice of essential facilities cases with the use of several case studies from Portugal. This was followed by Gergely Dobos, who detailed cases from the GVH on the issues of predation and rebates. These case studies ranged from the telecoms industry – including cable, mobile and fixed telephony services – to the postal services and also included a merger case in the gas industry.

#### **d) 28-30 September: Seminar for CIS countries on retail trade, Moscow, Russian Federation**

The RCC and the Federal Antimonopoly Service of the Russian Federation (FAS Russia) conducted a workshop on competition issues in retail trade for thirty-one competition law enforcers from ten CIS countries. The seminar focused on the concepts of market definition, buyer power and the assessment of market power of retail networks. The programme also covered the regulation of relations between product suppliers and retail networks. The topics were addressed and discussed in lectures and case studies by competition experts from OECD countries as well as case studies presented by FAS Russia and other jurisdictions.

On the first day of the workshop, Andrey Tsarikovskiy, the Deputy Head of FAS Russia, gave a talk on the recent antimonopoly regulation of retail trade in the Russian Federation. This was followed by Zoltán Nagy from the GVH, who detailed the history of the Hungarian Trade Act and its interactions with the work of his agency. João Pearce Azevedo from the RCC then presented an introduction to the basic concepts of buyer power and competition in retail trade. He detailed the pro and anti-competitive implications of the bargaining power and monopsony power and what competition agencies can do in these cases. In the last presentation of the morning, Nicholas A. Widnell from the US Federal Trade Commission (US FTC), talked about anticompetitive interactions between retailers and suppliers. He analysed some vertical antitrust practices in this industry such as exclusive dealing, resale price maintenance and hub and spoke conspiracies. In the afternoon, Peter Barron from the UK Competition Commission (UK CC) presented the results of the UK CC's groceries market investigation, focusing particularly on the recommended remedies. This was followed by a presentation on the specificity of antimonopoly control over transactions on the food retail trade market by Mikhail Fedorenko from FAS Russia. Anne Perrot, from the Autorité de la Concurrence in France, gave the last talk of the day on the interaction between competition and regulation in the French retail trade sector. During this talk, she detailed the economic effects of the French regulation, focusing particularly on the Loi Royer, Loi Raffarin and Loi Galland.

On the second day, Manuel Sebastião from the Portuguese Competition Authority presented the recently concluded market study on competition in retail trade by his agency. This was followed by a description of the results of the monitoring of the application of the recent Federal Law on the regulation of trade activity in the Russian Federation by Tomotfey Nizhegorodstsev from FAS Russia. Péter Sükösd, from the GVH rounded up the morning session by describing the specific treatment of the retail sector in the practice of his agency. He detailed both the results of the market study in the Hungarian retail sector and several complaints and proceedings from this industry.

The last day of the seminar began with a talk by Nicholas A. Widnell from the US FTC on the assessment of market power in retail merger cases. He relied on the New Horizontal Merger Guidelines from his agency to illustrate the analysis of adverse competitive effects observed in consummated mergers and the use of evidence in these cases. Peter Barron ended the session and the seminar with a talk on mergers and other retail investigations of the UK CC. He detailed several UK CC inquiries into supermarkets, groceries and other retail sectors (like electronics, CDs, games and cinemas) and presented his agency's conclusions and recommendations.



Seminar for CIS countries on retail trade – 28-30 September 2010, Moscow, Russian Federation



Seminar on European Competition Law for Competition Law Judges – 19-20 November 2010, Budapest

## B) Events for the special audience of the RCC

### a) 12-13 February: Seminar on European Competition Law for Competition Law Judges

In February the RCC organised the seventh two-day seminar for European competition law judges in Budapest, and addressed for the first time the issue of private enforcement of EU state aid law before national courts. Thirty-five judges from thirteen countries participated in the event. As in the recent past, the majority of participants came from countries with newer competition regimes. Many of the participants had attended previous seminars of the RCC for judges, but the seminar also attracted a number of new participants. The seminar received a financial contribution from the European Commission.

Speeches and presentations were delivered by seven speakers from different backgrounds, including: Mona Aldestam from the Swedish Administrative Court, João Azevedo from the RCC, Thierry Beranger and Christof Lessenich from the European Commission, Ulf Öberg from Advokatfirman Öberg & Associés AB, Andreas Reindl from Fordham University, New York and Ingeborg Simonsson from Stockholm City Court.

The seminar focused exclusively on state aid law. The entire morning session on the first day and part of the afternoon session were used to introduce general rules and concepts governing state aid law to participants, focusing both on procedural and institutional issues as well as on substantive rules. The enforcement system in state aid cases is quite complex and different from general competition law enforcement, and speakers devoted considerable time throughout the seminar to help judges understand the role of national courts in state aid cases, and the relationship between private enforcement and enforcement by the European Commission. The seminar had a very case oriented approach: many problems and questions in state aid cases were discussed first in breakout sessions, using short hypothetical cases, and then later summarised and explained in a plenary session.

The remaining afternoon session, as well as the next morning session, focused on issues specifically related to the private enforcement of state aid law before national courts, including evidentiary issues, the relationship to Commission enforcement, the scope of authority of national courts in state aid cases, and the typical questions that judges will have to decide on in these cases. There was ample opportunity for questions and for discussion among the audience and the speakers.

The second day's afternoon session was used for a "mock trial," which participants had started to prepare at the end of the morning programme. Participants had received a hypothetical state aid case with briefs for each side in advance of the seminar. The hypothetical case was based on a state aid case pending before the Swedish courts. A three judge panel composed of seminar participants was asked to examine the case by posing questions; other participants were also given an opportunity to intervene and ask questions. Each party was represented by one of the speakers who presented their "client's" views, submitted their arguments, and answered questions from the judges' panel. As expected, this part of the programme was very successful.

### **b) 8-9 March: CECI seminar on Switching in Banking**

The financial sector, including banking, plays a vital role in every modern economy by circulating money and capital. To become more familiar with issues related to switching in banking, especially regarding current accounts and mortgage loans, the GVH proposed to hold a seminar on the topic within the framework of the Central European Competition Initiative. The RCC therefore organised a seminar for the member authorities of the CECI. Thirteen participants from five countries and nine panellists took part in this event.

Eight speakers contributed to the success of the seminar: Sean Ennis from the OECD's Competition Division, Surd Kováts from the GVH, David Mair and Jean-Marc Huez from the European Commission, Patrice Muller from the London School of Economics, Márton Nagy from the National Bank of Hungary, Janis Pappalardo, from the US Federal Trade Commission and Mark Pratt from the Office of Fair Trading.

The agenda of the seminar relied on three substantive pillars, which were all connected with switching between different financial providers. The first section's presentations focused on competition-enhancing considerations by analysing the findings of the sector inquiries of the GVH and the European Commission, and the experience of the Office of Fair Trading. In the second section, speakers from the London School of Economics and the National Bank of Hungary analysed the linkage between stability and competition in the financial market. The third pillar focused on the consumer protection angle, which was presented by the experts from the Federal Trade Commission and DG Sanco.



Seminar on European Competition Law for Competition Law Judges – 19-20 November 2010, Budapest



Advanced level hypothetical seminar – 6-9 December 2010, Budapest

### c) 19-20 November: Seminar on European Competition Law for Competition Law Judges

The RCC organised its eighth two-day seminar for European competition law judges which focused on an analysis of horizontal agreements under Article 101, with a special emphasis placed on the evidentiary questions that can arise in national court cases, including burden of proof, standard of proof, and the use of presumptions. The seminar offered ample opportunity to apply the principles and rules that were developed in the presentations during the discussion of hypothetical cases, in breakout groups and during a “mock trial” session. The seminar received financial contribution from the European Commission.

Sixty-one judges from twenty-three countries participated in the event. There was a good mix of judges from countries with a longer tradition in competition law enforcement and countries with newer competition regimes, as well as trial court judges and judges from supreme courts and appeal courts. The presentations were divided among four speakers, including David Bailey from the UK Competition Appeal Tribunal, Sean Ennis from the Competition Division of the OECD; Andreas Reindl from Fordham University, New York and Ingeborg Simonsson from Stockholm City Court. Speakers also led the discussion in breakout sessions and contributed to the “mock trial”.

The seminar focused on an analysis of horizontal agreements under Article 101, including the exchange of information among competitors and an overview of certain chapters in the European Commission's draft guidelines for agreements among competitors. This substantive topic was used to illustrate the evidentiary questions that judges are likely to face in cases, such as the allocation of the burden of proof, the types of evidence that either party can use to meet its burden of proof, standard of proof, presumptions, and prima facie evidence. On each day, presentations and group work focused initially on economic principles and legal analysis in horizontal agreements. The Friday morning sessions focused on how the analysis of horizontal agreements in general can incorporate economic principles. The Saturday morning sessions focused specifically on the exchange of information. These sessions were followed by presentations focusing more specifically on evidentiary questions.

The Saturday afternoon session was used for a “mock trial,” which participants started to prepare at the end of the morning programme. Participants had received a hypothetical case with briefs for each side in advance of the seminar, which was based on a decision of the UK Competition Appeal Tribunal, which raised rather complex issues in the analysis of a restrictive agreement. A three-judge panel composed of seminar participants was asked to examine the case by posing questions. Each side was represented by speakers who presented their “clients” views, submitted their arguments, and answered questions from the judges’ panel. Other seminar participants were also given an opportunity to intervene and ask questions to ensure the involvement of everyone in the exercise.

#### d) 13-14 December: GVH Staff training

The RCC organised a two-day seminar for economists at the premises of the GVH. The seminar focused on the economic analysis used for evaluating merger transactions. The seminar was built around a hypothetical merger case with extensive backup documents and data. In addition to providing information on economic methods that can be used to quantify harm, the seminar also focused on the practical application of these methods in a trial. The seminar provided for a discussion of concepts and problems during the breakout sessions and during the plenary session.

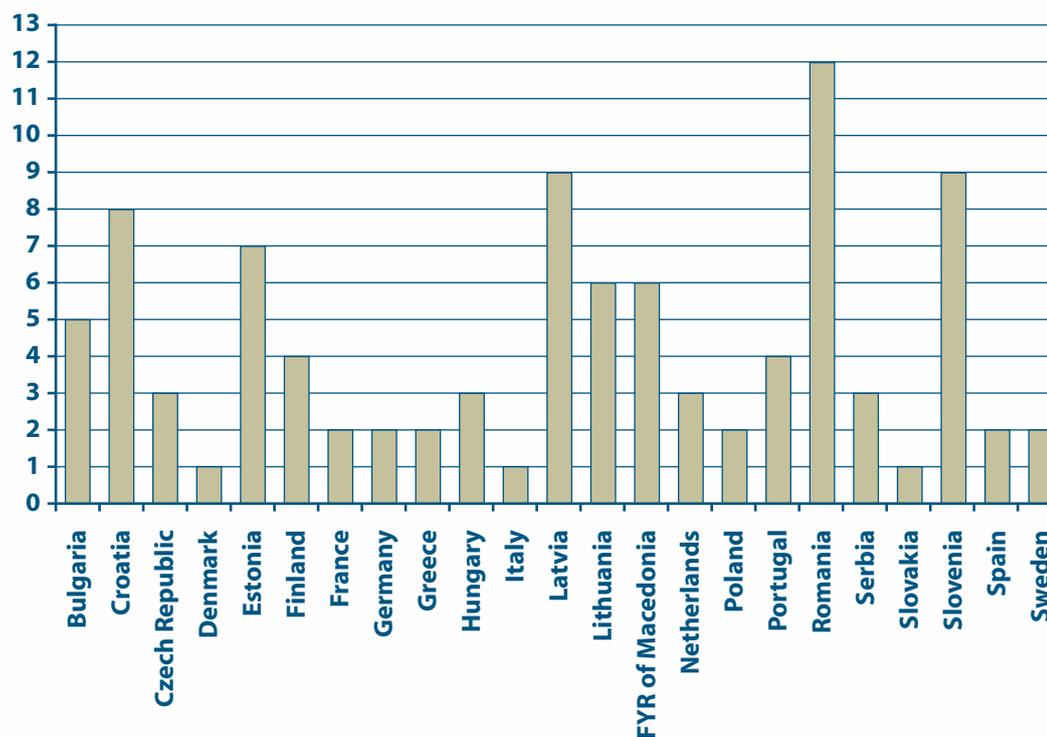
The participants were well matched for the topic with its focus on building capacities for economic analysis, and participants were selected to ensure that they were active economists at the authority or that they had substantial background knowledge of economics. Thirteen staff members of the GVH participated in the event. The small size of the group successfully promoted good interactions between participants and ensured that the group work was rewarding. The seminar was chaired by Sean Ennis, a senior economist from the OECD's Competition Division. He is one of the authors of the hypothetical case used as the basis for the workshop.

The workshop was devoted to the economic analysis of complex merger cases. The approach was built around a hypothetical merger case between producers and distributors of beer and other drinks. The case provided a context in which general substantive presentations could be applied. The seminar covered economic methodologies applied in merger review, and focused on the practical problems and questions that arise in the application of these methodologies. Small groups were formed to prepare the various stages of the merger analysis and developed good team spirit. On the first day the programme focused on the contributions of economists during the initial stages of merger review, including preparing information requests to collect data. On the second day the programme focused on the substantive analysis of merger harms and potential remedies. A hypothetical economist expert report was considered and analysed. The meeting concluded with a presentation of the evidence developed by participants in a courtroom setting.



Advanced level hypothetical seminar – 6-9 December 2010, Budapest

Chart N°2: Total number of participants per country for the two European Judges Seminars



### 3. Other issues

#### a) The enlargement of the RCC's target group

A decision was taken to enlarge the group of economies invited to the RCC's seminars. The RCC's operation is targeted primarily at regions, not just individual economies. Given the growing importance of the economies of Kazakhstan, Kosovo and Kyrgyzstan, which are located in the RCC's target regions, the decision was taken to invite experts from the competition agencies of these economies to the RCC events.

#### b) Communication

On the occasion of the fifth anniversary of the RCC's foundation, the President of the GVH gave a speech at the 9<sup>th</sup> Global Forum on Competition of the OECD in February 2010. He introduced the target groups, seminar types and topics in detail. He presented that in the first 5 years of its operation, the RCC had organised forty-one events, attended by more than a thousand participants. It was also pointed out that the RCC had received over 2.8 million euros for its operation in this period (GVH, Hungary: 86.5%, OECD: 3.2%, EU Commission: 10.3%). He also underlined that the RCC's success relies on three sources of intellectual contribution, namely the participation of experts from the OECD, the GVH and the competition authorities from many of the OECD member countries.

### c) Change in the RCC's name

To underline the GVH's role in the RCC's operation, the RCC's official name (OECD-Hungary Regional Centre for Competition in Budapest) was changed from 10 March 2010 to

- OECD-GVH Regional Centre for Competition in Budapest (Hungary) [in English],
- OCDE-GVH Centre Régional de la Concurrence à Budapest (Hongrie) [in French],
- OECD-GVH Budapesti Versenyügyi Regionális Oktatási Központ [in Hungarian],
- Будапештский Региональный Центр ОЭСР-ГВХ по Конкуренции (Венгрия) [in Russian].

## IV. EVALUATION OF RCC SEMINARS

Participants are always asked to provide feedback on RCC seminars in order to maintain and potentially increase the standard of the events. According to the feedback, participants found that the seminars provided theoretical and practical information that was highly relevant to their day-to-day work and that the seminars also provided a good opportunity for the exchange of opinions between participants and experts. The average value of all of the answers for the entire year was 4,3 out of a maximum of 5.

Participants considered the quality and the relevance of the programmes to their work to be either: very high or high – 91 per cent of respondents rated the seminars on this basis. Participants found the exchange of experiences and learning about different competition policy systems to be particularly useful. According to the feedback, the seminars contribute to the creation of a network between colleagues from different authorities, which can lead to further bilateral discussions.

In the sixth year of its operation, the RCC offered various topics to representatives of the participating economies to the high standard that they have now come to expect from the RCC. Based on the feedback, the current distribution of the topics is well received. Despite the increased number of hypothetical cases, participants request even more presentations on practical issues in the form of case studies, even at the expense of theoretical discussions.

**Table №5: Participants' evaluation of events organised by the RCC in the year 2010**

	Distribution of answers				
	Very high	High	Moderate	Low	Very low
Workshop preparations	36%	43%	16%	5%	1%
Quality of conference facilities	43%	47%	10%	0%	0%
Usefulness and quality of materials	36%	53%	11%	0%	0%
Usefulness of hypothetical cases/participants' case studies/tour de table	30%	39%	22%	6%	3%
Quality of presentations	40%	52%	7%	1%	0%
Overall usefulness of the topics	46%	40%	13%	1%	0%
Overall usefulness of the event	50%	41%	9%	1%	0%

Table N°6: Detailed participants' evaluation by events and by categories

Workshop preparations	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,2</b>	<b>56</b>	<b>66</b>	<b>24</b>	<b>7</b>	<b>1</b>
Seminar on European Competition Law for Judges, 12-13 February	4,4	8	7	2	0	0
Workshop on merger analysis and procedures, 22-26 March	4,3	9	8	1	1	0
Workshop on abuse of dominance, 10-13 May	4,3	7	4	1	1	0
Workshop on introductory concepts to competition policy, 29 June-1 July	4,4	10	10	2	0	0
Workshop on competition issues in retail trade, 28-30 September	4,0	1	14	1	0	0
Seminar on European Competition Law for Judges, 19-20 November	3,7	15	18	16	5	1
Advanced level hypothetical seminar, 6-9 December	4,4	6	5	1	0	0

Quality of conference facilities	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,3</b>	<b>70</b>	<b>77</b>	<b>16</b>	<b>0</b>	<b>0</b>
Seminar on European Competition Law for Judges, 12-13 February	4,5	9	8	0	0	0
Workshop on merger analysis and procedures, 22-26 March	4,1	5	11	3	0	0
Workshop on abuse of dominance, 10-13 May	4,5	8	3	2	0	0
Workshop on introductory concepts to competition policy, 29 June-1 July	4,3	10	11	2	0	0
Workshop on competition issues in retail trade, 28-30 September	3,9	1	15	3	0	0
Seminar on European Competition Law for Judges, 19-20 November	4,5	32	23	5	0	0
Advanced level hypothetical seminar, 6-9 December	4,3	5	6	1	0	0

Usefulness and quality of materials	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,3</b>	<b>59</b>	<b>86</b>	<b>18</b>	<b>0</b>	<b>0</b>
Seminar on European Competition Law for Judges, 12-13 February	4,4	8	7	2	0	0
Workshop on merger analysis and procedures, 22-26 March	4,0	3	13	3	0	0
Workshop on abuse of dominance, 10-13 May	4,5	7	5	1	0	0
Workshop on introductory concepts to competition policy, 29 June-1 July	4,3	9	12	2	0	0
Workshop on competition issues in retail trade, 28-30 September	4,2	5	12	2	0	0
Seminar on European Competition Law for Judges, 19-20 November	4,2	19	33	8	0	0
Advanced level hypothetical seminar, 6-9 December	4,7	8	4	0	0	0

Usefulness of hypothetical cases / participants' case studies / breakout sessions	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,1</b>	<b>72</b>	<b>94</b>	<b>53</b>	<b>14</b>	<b>7</b>
Seminar on European Competition Law for Judges, 12-13 February	4,4	9	7	2	0	0
Workshop on merger analysis and procedures, 22-26 March	4,2	5	13	1	0	0
Workshop on abuse of dominance, 10-13 May	3,9	1	8	2	0	0
Workshop on introductory concepts to competition policy, 29 June-1 July	4,0	5	12	4	0	0
Workshop on competition issues in retail trade, 28-30 September	3,5	26	22	33	12	6
Seminar on European Competition Law for Judges, 19-20 November	4,1	21	25	11	2	1
Advanced level hypothetical seminar, 6-9 December	4,4	5	7	0	0	0

Quality of presentations	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,3</b>	<b>65</b>	<b>86</b>	<b>12</b>	<b>1</b>	<b>0</b>
Seminar on European Competition Law for Judges, 12-13 February	4,6	11	5	1	0	0
Workshop on merger analysis and procedures, 22-26 March	4,4	8	10	1	0	0
Workshop on abuse of dominance, 10-13 May	4,0	3	8	1	1	0
Workshop on introductory concepts to competition policy, 29 June-1 July	4,3	8	13	2	0	0
Workshop on competition issues in retail trade, 28-30 September	4,0	2	15	2	0	0
Seminar on European Competition Law for Judges, 19-20 November	4,4	28	28	5	0	0
Advanced level hypothetical seminar, 6-9 December	4,4	5	7	0	0	0

Overall usefulness of the topics	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,3</b>	<b>76</b>	<b>65</b>	<b>22</b>	<b>1</b>	<b>0</b>
Seminar on European Competition Law for Judges, 12-13 February	4,4	11	4	3	0	0
Workshop on merger analysis and procedures, 22-26 March	4,4	9	8	2	0	0
Workshop on abuse of dominance, 10-13 May	4,3	7	3	3	0	0
Workshop on introductory concepts to competition policy, 29 June-1 July	4,3	9	13	1	0	0
Workshop on competition issues in retail trade, 28-30 September	4,0	6	7	6	0	0
Seminar on European Competition Law for Judges, 19-20 November	4,3	29	23	7	1	0
Advanced level hypothetical seminar, 6-9 December	4,4	5	7	0	0	0

Overall usefulness of the event	Average rating	Number of chosen ratings				
		Very high	High	Moderate	Low	Very low
<b>Total:</b>	<b>4,4</b>	<b>81</b>	<b>67</b>	<b>14</b>	<b>1</b>	<b>0</b>
Seminar on European Competition Law for Judges, 12-13 February	4,6	12	4	2	0	0
Workshop on merger analysis and procedures, 22-26 March	4,3	7	11	1	0	0
Workshop on abuse of dominance, 10-13 May	4,4	7	4	2	0	0
Workshop on introductory concepts to competition policy, 29 June-1 July	4,3	10	11	2	0	0
Workshop on competition issues in retail trade, 28-30 September	4,2	8	7	3	1	0
Seminar on European Competition Law for Judges, 19-20 November	4,5	31	24	4	0	0
Advanced level hypothetical seminar, 6-9 December	4,5	6	6	0	0	0

## V. FINANCIAL AND INTELLECTUAL CONTRIBUTIONS

Ensuring that the RCC operates at the highest level is the task of the founding parties, the GVH and the OECD. This is set out in the Memorandum of Understanding signed by the parties in 2005, when the RCC was established. Both institutions provide financial and intellectual contributions towards the operation of the RCC. The accumulated experience and expertise of the OECD members also contributes to the training programmes offered by the RCC.

The dedicated funding for the operation of the RCC appears completely separate in the annual budget of the GVH. The source of this dedicated funding is set forth in Hungary's Competition Act.

The RCC had a budget of EUR 551 596 for 2010. This includes funds provided by the GVH and the OECD, as well as grants received from the European Commission, the latter for the judges training.

The following tables provide details on the total costs of the operation of the RCC in 2010 by sources of funds, by events and by major categories of costs.

**Table N°7: The sources of funds**

Sources of funds (EUR)	
Gazdasági Versenyhivatal	467 596
OECD	30 000
European Commission (estimated, grants for the judges seminars)	54 000
<b>Total funds</b>	<b>551 596</b>

**Table N°8: Breakdown of total expenses by items**

Breakdown of total expenses (EUR)	
<b>A) Direct organisational costs</b>	
Seminar on European Competition Law for Competition Law Judges 12-13 February	33 772
5 <sup>th</sup> Anniversary of the RCC (workshop and conference) 2-3 March	89 748
CECI seminar on Switching in Banking 8-9 March	6 021

Workshop on merger analysis and procedures 22-26 March	29 101
Workshop on abuse of dominance 10-13 May	27 512
Seminar on introductory concepts to competition policy, Yerevan, Armenia 29 June – 1 July	62 611
Seminar for CIS countries on retail trade, Moscow, Russian Federation 28-30 September	28 436
Seminar on European Competition Law for Competition Law Judges 19-20 November	43 421
Advanced level hypothetical seminar 6-9 December	18 599
GVH staff training 13-14 December	1 144
<b>Total direct organisational costs</b>	<b>340 365</b>
<b>B) Overhead and operational costs of the RCC</b>	<b>41 231</b>
<b>C) Staff costs transferred by the GVH to the OECD (see comment 1)</b>	<b>170 000</b>
<b>TOTAL EXPENSES 2010</b>	<b>551 596</b>

Comment 1: On the basis of the Memorandum of Understanding, the GVH made a voluntary contribution to the OECD for staff-related purposes.

## VI. RCC DEDICATED STAFF

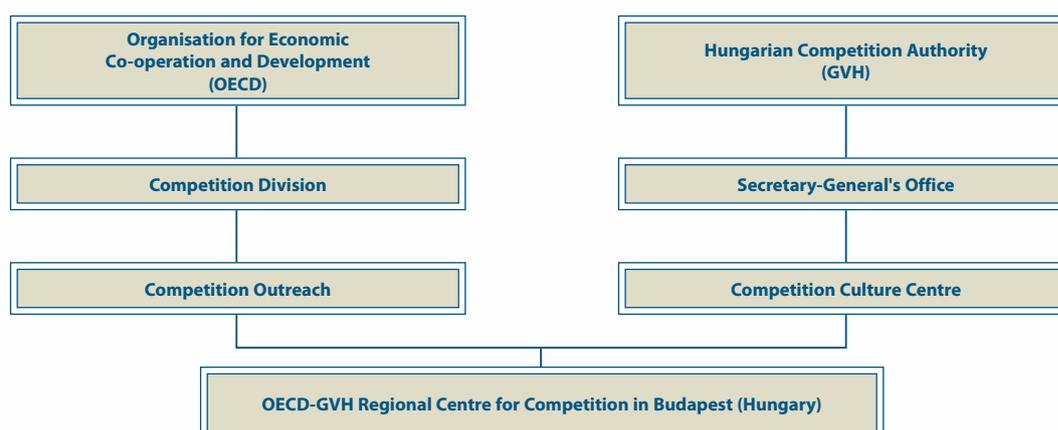
The RCC is a “virtual” centre, thus it does not have a central office but it is accommodated in the headquarters of the GVH. The RCC is run by a full-time senior advisor and an assistant who are at the same time employees of the GVH in Budapest and by a full-time senior competition expert at the OECD headquarters in Paris. The virtual existence of the RCC allows it to concentrate funds on the real purpose of its establishment, that is, organising seminars, inviting and training participants. The virtual structure also facilitates adapting to changing situations.

The work of the RCC is based on the expertise of both the GVH and the OECD. The GVH is responsible for organising all of the practical arrangements for the RCC’s programmes. The expert at the OECD sets up the content of the programmes and invites speakers to the seminars. The GVH provides speakers or panellists for each seminar. Other speakers are invited from different OECD member states.

Structurally, the RCC is located in the Competition Culture Centre of the GVH. Within the GVH, Emese Borza is responsible for the organisational aspects of the events and is supported by one full time assistant. Other members of staff at the GVH also assist with the work of the RCC on a part-time basis.

João Pearce Azevedo, based in Paris, is responsible for the development and delivery of the RCC programme and chairing the events.

Chart N°3: Organigram of the RCC



## SEMINARS' SPEAKERS OF THE YEAR 2010



**Mona ALDESTAM**  
Administrative Court  
Sweden



**Andrea BELÉNYI**  
Hungarian Competition  
Authority  
Hungary



**Manuel CABUGUEIRA**  
Portuguese Competition  
Authority  
Portugal



**Gergely DOBOS**  
Competition Council  
Hungarian Competition  
Authority



**David BAILEY**  
Competition Appeal  
Tribunal  
United Kingdom



**László BENCSIK**  
OTP Bank Ltd  
Hungary



**Viorica CĂRARE**  
Moldavian Competition  
Authority  
Moldova



**Paul DOBSON**  
Norwich Business School  
University of East Anglia  
United Kingdom



**Péter BALÁZS**  
Minister of Foreign Affairs  
Hungary



**Thierry BÉRANGER**  
Directorate General  
for Competition  
European Commission



**Bogdan Marius  
CHIRITOIU**  
Competition Council  
of Romania  
Romania



**Sean ENNIS**  
Competition Division  
OECD



**Peter BARRON**  
Competition Commission  
United Kingdom



**Patricia BRINK**  
Department of Justice,  
Antitrust Division  
United States



**Aart DE GEUS**  
Deputy Secretary-General  
OECD



**Allan FELS**  
The Australia  
and New Zealand  
School of Government  
Australia



**Arvid FREDENBERG**  
Swedish Competition  
Authority  
Sweden



**Frédéric JENNY**  
Competition Committee  
OECD



**Csaba KOVÁCS**  
Competition Policy  
Section  
Hungarian Competition  
Authority



**Frank MAIER-RIGAUD**  
Competition Division  
OECD



**António GOMES**  
Merger Department  
Competition Authority



**Dag JOHANSSON**  
Directorate General  
for Competition  
European Commission



**Surd KOVÁTS**  
Financial Services Section  
Hungarian Competition  
Authority



**David MAIR**  
DG SANCO  
European Commission



**Péter GOTTFRIED**  
Permanent Delegation  
of Hungary to the OECD



**Rainer  
KALTENBRUNNER**  
Bundeswettbewerbs-  
behörde  
Austria



**Christof LESSENICH**  
Directorate General  
for Competition  
European Commission



**Patrice MULLER**  
London Economics  
United Kingdom



**Jean-Marc HUEZ**  
Directorate General  
for Competition  
European Commission



**William E. KOVACIC**  
Federal Trade Commission  
USA



**David LEWIS**  
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