

# Swedish Competition Authority

by Dan Sjöblom, Director General, Swedish Competition Authority



The mission of the Swedish Competition Authority is to work for well-functioning markets, to the benefit of consumers. In recent years, the Authority has been provided with new powers and responsibilities to make this work more efficient.

The year 2010 has been no exception. Amendments to existing legislation entered into force which rendered the Authority more powers to intervene against distortions of competition in the public sector. As from January 1, 2010 new rules in the Competition Act make it possible to prohibit certain commercial activities and conduct by municipalities and other public bodies that distort the conditions for effective competition on the market by acting as sellers of goods or services. The Competition Authority has for many years received a large number of complaints in this regard from in particular small and medium-sized companies operating on regional and local markets, but we have not had effective means to intervene. The Authority has now investigated a considerable number of alleged competition problems under the new rules. Several cases have been closed as the public bodies concerned have taken measures to change their conduct or activities voluntarily. Other cases are being further investigated with the aim to request the court to issue an injunction. Advocacy measures about the new rules have also been given high priority during the year, and this has in several cases resulted in self-correction.

The Authority was also given more powers in its task to monitor public procurement in Sweden through amendments to the public procurement laws. Municipal authorities and government authorities that do not comply with the procurement rules may have to pay a public procurement damage fine of up to SKr10m in the event of an illegal direct award of contracts. And a potential supplier who discovers that a procurement procedure has not been published, and hence not exposed to competition, is now able to ask a court to declare the contract null and void.

The core of our activities is of course competition law enforcement and in particular anti-cartel enforcement. In order to increase agency effectiveness we strive at prioritising the cases that really merit further investigation. Fortunately we receive many complaints and tips, but at the same time only a few of them may lead to a full scale investigation. We have adopted a priority policy and we take a go-non-go decision when a new alleged competition problem has been investigated during a couple of months. And we take care to inform the complainant why we will not further investigate his problem, if we decide to close the case.

We also strive at seeking the most appropriate case resolution in every case. Quick settlements are generally beneficial not only to a competition authority, but also to the parties involved, at least in clear-cut cartel cases, where, in the absence of contentious legal issues, the result of court proceedings should be quite predictable. The Authority is authorised to adopt fining decisions in such cases that become legally binding if accepted by the undertaking to which it is addressed. This system of fine orders has proven to be an efficient form of enforcement and it enables us to use our resources for litigating cases that are contested or that raise difficult legal questions.

Outside the scope of hardcore cartels, several cases have been closed with voluntary commitments by the parties involved to change their behaviour and bring the infringement to an end. The individual sanction on managing directors who engage in cartel activities, the trading ban or disqualification order, has not yet been directly used by the Authority. But I would like to stress the word “directly” as I am hopeful about its preventive effect.

We also attach great importance to advocacy. During 2010 we launched a short film ‘Be the first to tell – a film about leniency’, available at our website and also on YouTube. Raising awareness about the rules may not only bring more cases to the Authority but more importantly, make undertakings refrain from engaging in cartels and other violations of the rules. But such results of our activities are hard to measure. Therefore I am pleased to note the results we can measure, from our enforcement activities and also from the interviews made by a research institute among our stakeholders, which show that the Swedish Competition Authority has increased its results in 2010 in a very positive way. My ambition is for the Authority to continue to develop its abilities in all relevant areas, and for our stakeholders to view us as a competition authority on the right track.

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