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COMPETITION COMMITTEE**

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ANNUAL REPORT ON COMPETITION POLICY DEVELOPMENTS IN NORWAY

-- 2015 --

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EXECUTIVE SUMMARY

1. The Norwegian Competition Authority's main task is to enforce the Competition Act, prevent and deter competition crime and affect market structure in a direction that promotes healthy competition. Uncovering illegal cartels and bid rigging have for many years been a key priority for the Norwegian Competition Authority (NCA, henceforth).

2. However, the activities in 2015 were marked by demanding merger cases. The NCA intervened in 5 mergers, most of these in highly concentrated markets with sales directly to consumers, eg. telecommunications, groceries and gasoline. Moreover, several companies were fined for violations of the standstill obligations. One of these decisions was tested in the court, where the Court of First Instance confirmed the NCA's decision. Even though the decision is appealed, the media attention a case like this receives implies a significant deterrent effect, thus leading to a more effective control with structural changes in the markets.

3. Even though the high merger control activity limited the capacity to launch new investigations, the NCA issued two decisions relating to the prohibition regulations and continued its work on a substantial portfolio of ongoing cases. Managing to keep up the pressure in investigations while at the same time dealing with many complex merger cases must be seen in connection with efforts to enhance efficiency and quality in investigations, streamlining case handling procedures and clarifying internal responsibilities. The way interviews are conducted has in particular been improved. In addition, competence and capacity to use quantitative methods in merger control have been built up over time in a systematic way.

4. All NCA decisions in the cartel area that were tested in the courts last year have been confirmed. Even though the 2nd instance decision in the bid rigging case in patient transport were appealed to the Supreme Court, the final decision in the asphalt case was an important decision. It sends an important signal that serious violations of the competition rules will not be tolerated and will result in heavy fines.

5. In addition to direct enforcement, the NCA has also been active in the area of market studies and advocacy. The NCA published three market studies last year; on the taxi market, the market for residential property development as well as the market for mortgages - all with clear messages regarding measures that should be undertaken to enhance competition. The studies received substantial interest and media attention. Throughout the year, the NCA also worked close with our Nordic colleagues to produce a joint market study on the waste market. The report was published in February 2016.

6. To enhance the deterrent effects of our activities, the NCA has worked strategically throughout 2015 to maximize visibility, resulting in almost 5000 instances where our decisions were referred to in the media. This is a result of active use of our website www.kt.no, nursing a good contact with central media, as well a media strategy adapted to each decision and advocacy activity. In addition, repeated media training for key employees has resulted in professional media appearances with clear messages reflecting the NCA's important tasks.

7. To sum up, 2015 has been a year with a high activity level, many important decisions and advocacy initiatives, and where the outcome in the courts reflects the NCA's strategic mission to enhance the quality of our work to a high international and professional level.

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

1.1 Summary of new legal provisions of competition law and related legislation

8. The newest revision of the competition law entered into force July 2016.

9. One legal change relates to merger review, which becomes even more harmonized with EU-merger regulations. According to the new amendments, the NCA shall prohibit concentrations that will significantly impede effective competition, in particular as a result of the strengthening of a dominant position (the SIEC-test; Significant Impediment to Effective Competition). Thus, the SLC-test for intervention in mergers are replaced by a SIEC-test. The new standard harmonizes the Norwegian merger control review standard with the EU/EEA merger control rules, and will be interpreted in line with EU precedents. One consequence of the new and EU-harmonized standard is a shift in the role of the evaluation of efficiencies. Following the amendments, the NCA must now focus on to what extent the merger are to the benefit or detriment to consumers.

10. The revision also introduced the possibility for settlements in cartel cases, similar to Commission procedures. Companies that are found to have participated in a cartel can settle their case by acknowledging their involvement in the cartel and getting a smaller fine in return.

11. Besides these two changes, there have been some minor amendments in both law and regulations to clarify new rules and deadlines with the revisions introduced in 2014, which ia. introduced substantially higher merger notification thresholds.

12. As a measure to enhance the NCA's independence, the Ministry of Industry, Trade and Fisheries in 2015 proposed to establish an independent competition complaints board. At the same time, the possibility to reverse the NCA's decisions based on public interest considerations will be abolished. Previously, the NCA's decisions to intervene in merger cases had to be appealed to the Ministry for Industry, Trade and Fisheries. On the other hand, the NCA decisions to issue administrative fines in cartel and abuse of dominance cases had to be tried in the courts. The competition complaints board will be the first instance to review the NCA decisions in mergers as well as cartels and abuse of dominance cases. The proposals were adopted by the Norwegian Parliament (Stortinget) in 2016, and will be implemented 1st of January 2017. It is expected that the competition complaints board will be effective from spring 2017.

13. Finally, it can me mentioned that as of 1st of July 2016, the Competition Authority is the only authority to control mergers in the media industry. Previously, mergers in the media industry also had to be approved by the Norwegian Media Authority.

1.2 Other relevant measures, including new guidelines

14. Since 2014, the NCA has the responsibility to allocate funds for research in competition law and economics for about 6 million Norwegian kroner per year (corresponding to approximately 670 thousand euro).

15. In June 2016, the NCA published guidelines that clarifies the NCA's considerations before deciding whether to report individuals for criminal investigations. Competition crime is punishable by imprisonment. The guideline means to increase predictability for actors considering requesting for leniency.

1.3 Government proposals for new legislation

16. The Norwegian Complaints Board for Public Procurement (KOFA) is a national complaints body that enforces the Norwegian regulations on public procurement. The Board's members are all lawyers (10 members), who are appointed by the Government. KOFA's decisions are advisory. The body's main role is to offer the public body and the tenderer a low-cost and efficient body to resolve conflicts on alleged violations of the procurement rules.

17. In 2015, it became clear that KOFA will regain its authority to impose fines for illegal direct award of contracts.

18. The NCA has had the administrative responsibility for the Board's Secretariat. However, in 2017 the secretariat will become part of a new organization, which will include and merge several appeal boards. The new competition complaints board will also be a part of this new organization.

19. New law and regulations on public procurement will enter into force 1. January 2017. Rules are simplified, as well as adapted to the revised EU-directives in the field of public procurement.

2. Enforcement of competition laws and policies

20. According to the Competition Act, the primary responsibilities of the NCA are as follows:

- Monitor adherence by businesses and industry to the Competition Act's prohibitions against competition-restricting cooperation and abuse of a dominant market position.
- Ensure that mergers, acquisitions and other forms of concentrations do not significantly restrict competition.
- Implement measures to increase the transparency of markets.
- Enforce Articles 53 and 54 of the EEA Agreement.
- Call attention to any restrictive effects on competition of public measures and, where appropriate, submit proposals aimed at furthering competition and facilitating market access by new competitors.

21. The NCA can impose administrative fines on businesses for breaches of provisions of the Competition Act.

2.1 Action against anticompetitive practices, including agreements and abuses of dominant positions

22. In 2015, the NCA secured evidence in one case on two different locations. 45 formal statements were taken in connection with investigations in five different cases.

Investigative Work Activities 2010-2015

	2010	2011	2012	2013	2014	2015
Securing evidence section 25 – cases/locations	4/19	4/9	2/5	1/3	6/17	1/2
Depositions (formal statements) section 24 – cases/locations	6/32	9/48	5/10	4/20	4/34	5/45

23. The NCA did not start many new investigations in 2015, but continued with investigations initiated in 2014, a year with a record high amount of dawn-raids. In addition to these investigations, the NCA continued its market monitoring in the dairy sector, the wholesale market for electricity and the domestic air transport market.

24. Leniency was introduced by the Competition Act of 2004. Even though the threshold for seeking leniency appears to be relatively low, the case in the asphalt industry alluded to below is a good example of a major case being the result of the leniency program.

Applications for leniency 2007-2013

	2010	2011	2012	2013	2014	2015
Number of applications	6	3	6	2	3	3

2.1.1 Description of some significant cases

25. The Authority carried out dawn raids connected to six cases in 2014. These cases were under investigation throughout 2015. The collection of evidence from five companies within the market for book distribution in April 2014 was one of them. The case concerned a possible refusal to supply in the market for the distribution of books to the mass market, such as grocery stores and kiosks. In a statement of objection issued in June, 2016, the Authority announced that it considered imposing a significant fine since the collective refusal to supply in its view constituted a violation by object of the competition rules. A final decision will be taken after the consideration of the parties' notice of intention to defend.

26. Presented below is a brief summary of the two decisions on anticompetitive behaviour in 2015.

27. **Collusive bidding for electrical services to a health enterprise.** In the first part of 2015, the NCA imposed fines of in the order of NOK 1.9 to 2.9 millions on three undertakings participating in collusive bidding for electrical services to a health enterprise. The fined undertakings had a three year framework agreement with a health enterprise in the Drammen area. Through the framework agreement the three undertakings concerned were the only permitted bidders in limited tenders for electrical services. The participants colluded to decide the winning bidder, whilst the customer was under the impression that the bidding was competitive. Caverion applied for leniency, but only received partial leniency since the leniency application was put forward after the Authority had been on a dawn raid.

28. The decision implied fines to Pettersen and Arro fines in the order of NOK 2.88 million and NOK 1.87 million, respectively. The NCA reduced Caverion's fine from NOK 2.4 million to NOK 1.44 million due to the partial leniency. (Numbers in USD respectively: 360,000, 230,000, 300,000 and 180,000.)

29. **Trade association for repair shops of white goods.** In March 2015, the Authority fined a trade association for repair shops of white goods for breaching the competition law. The association advised its members on prices and acceptable price levels on repair services for white goods suppliers during the period from 2006 to 2011.

2.1.2 *Summary of developments in the courts*

30. Whereas the Norwegian Competition Authority's (NCA henceforth) decisions to issue administrative fines in cartel and abuse of dominance cases must be tried in the courts, decisions to intervene in merger cases must be appealed to the Ministry for Industry, Trade and Fisheries.¹

31. None of the decision taken in 2015 were appealed.

32. Three cases were handled by the courts in 2015, the outcome of all three in favour of the authority:

33. **Asphalt.** The decision from 2013, where the Norwegian Competition Authority imposed fines on two companies in the asphalt market, was appealed by the company that was not granted leniency – NCC Roads. In 2014, the Court upheld the authority's conclusion that the Competition Act was violated. The Court, however, disagreed on the size of the fine and on the authority's conclusion that the parent company could be held responsible. The Court reduced the fine from 140 million to 40 million Norwegian kroner (from approx. 16 million to 4.5 million euro). Both the Competition Authority and NCC Roads appealed this decision. In 2015, the Court of Appeals increased the fine to 150 million Norwegian kroner (approx. 17 million euro) and concluded that NCC Roads AS was liable for the infringement carried out by one of its employees. It also held the parent company NCC AB jointly and severally liable for the infringement. NCC Roads appealed, but the Appeals Committee of the Supreme Court of Norway rejected the appeal. The 150 million fine issued by the Court of Appeals is now final and the ruling by the Appeals Committee of the Supreme Court marks the end of the asphalt cartel case that began with an application for leniency and subsequent dawn raids in February 2010.

34. **Taxi.** Another case handled by the courts relates to taxi companies cooperating in tenders for patient transport. The authority fined these companies in a decision of 2011. The NCA's decision was not upheld by the Court of First Instance in February 2013. The Competition Authority appealed this ruling, and the case was handled by the Court of Appeal in 2015. The Court's decision agreed with the authority's finding that the cooperation was a violation by object of the competition law. However, the Court reduced the fines from 2.85 million (in total for all three companies) to 1.3 million Norwegian kroner in total (from approx. 320,000 euro's to 150,000 euro's). The decision is appealed to the Supreme Court.

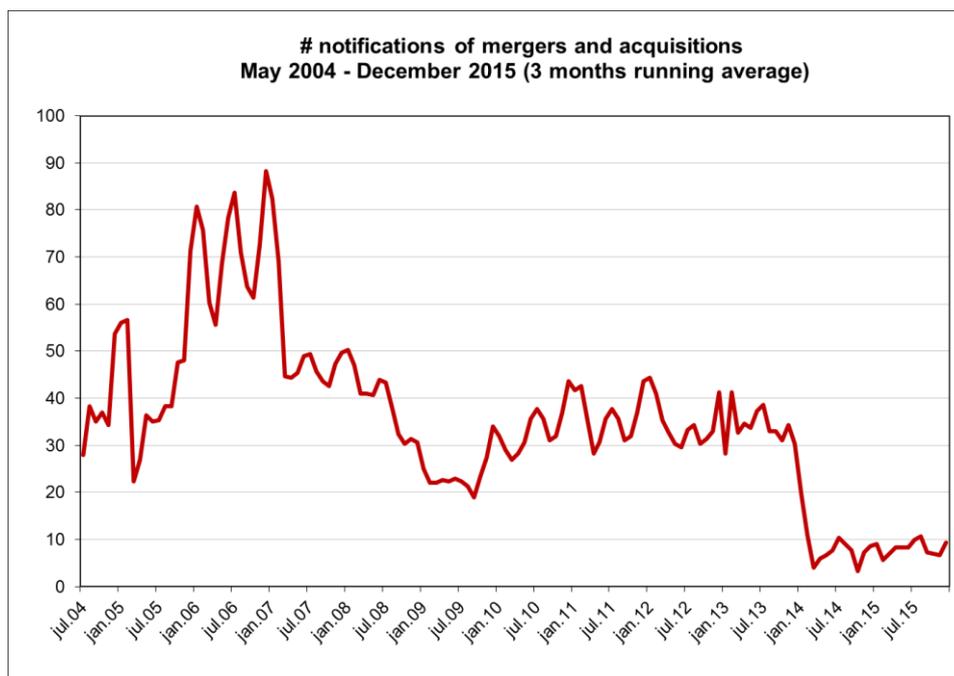
35. **Stand-still obligation.** Jotunfjell Partners AS was issued a fine of 0.7 million Norwegian kroner (approximately 80,000 euro) for breaching the stand-still obligation. The company appealed, but the Court of First Instance upheld the NCA's decision. The case is currently under appeal to the Court of Appeals.

2.2 *Mergers and acquisitions*

2.2.1 *Statistics on number, size and type of mergers notified and/or controlled under competition laws*

36. The number of notifications of mergers and acquisitions in 2014 and 2015 dropped significantly compared to previous years. This is due to changes in threshold levels for notifications as from 1 January 2014. The NCA received 96 notifications in 2015 and 89 in 2014. By comparison, it received 391 in 2013.

¹ As alluded to above; as from 2017, a new Competition Complaints Board will be established. The Board will be the first instance to consider all appeals and complaints.



37. The significant drop in notifications in 2007 is due to higher thresholds for notifications. The second significant drop from 2013 to 2014 is due to the significant increase of thresholds in 2014.

38. With the higher thresholds, there is a higher risk that some mergers and acquisitions potentially of concern are not notified. In order to still be able to follow developments in highly concentrated markets, the NCA has the power to oblige actors in certain markets with high concentration to notify *all* acquisitions, eg. in power production and the groceries market.

39. Moreover, in addition to this obligatory notification requirement, the NCA also has the power to impose a duty to notify a concentration it has become aware of, if there is reason for concern about the effects on competition of the merger. This obligation has to be notified within three months after the merger contract is signed or carried out (whichever comes first).

40. In addition to assessing notified merger, the NCA followed up mergers that previously had been approved on conditions. In most of these cases a monitoring trustee, appointed by the NCA, makes sure conditions are met.

41. A summary of some significant merger cases in 2015 are given below.

2.2.2 Summary of significant cases

42. The NCA intervened in five concentrations in 2015. None of the merger decisions taken in 2015 were appealed to the Ministry.

43. **Aleris' acquisition of Teres Medical Group cleared with remedies** .The Norwegian Competition Authority approved Aleris Helse AS' acquisition of Teres Medical Group AS with remedies. In Norway, public hospitals have the overall responsibility to provide necessary medical assistance to the public. Most of the health care services are produced by public hospitals. However, some services are provided by private hospitals after public tenders. Aleris and Teres are nationwide private hospital players who supply health care services to public hospitals, but also to insurance companies and to patients who finance their own purchases of services.

44. The NCA found that the merger between Aleris and Teres would lead to a significant restriction of competition in the supply of plastic surgery and orthopedics, to public hospitals, insurance companies, and to patients who finance their own purchases of services, in the central and northern part of Norway. As a condition for clearance, Aleris offered to sell parts of Teres' business in Norway to Capio AB to avoid restricting competition in specific local markets in the central and northern part of Norway. The NCA considered that Aleris' proposed remedies eliminated the anti-competitive effects of the merger, thus, approved the acquisition under those terms.

45. **Coop's acquisition of Ica Norge cleared with remedies.** Coop notified the purchase of approximately 550 stores from Ica in 2014. This was an acquisition in the already highly concentrated Norwegian grocery market. All the affected local markets for these 550 stores were analysed, since the impact on local competition was an important part of the assessment. The NCA found that the merger would lead to a significant restriction of competition in 90 local markets. To avoid the anti-competitive effects, Coop offered to sell a total of 93 stores to respectively Bunnpris and Norgesgruppen. The NCA considered that this remedy would protect competition in local as well as the national market. The completion of these sales was a prerequisite for the NCA's approval of the acquisition.

46. **Telecommunications: acquisition of Tele2 by TeliaSonera cleared with remedies.** The authority approved the proposed acquisition of Tele2 by TeliaSonera. The approval was conditional upon the full implementation of a commitments package submitted by TeliaSonera, which includes the conclusion of a roaming agreement with ICE and the sale of Tele2's mobile network and the mobile operator Network Norway to ICE. Competition for Norwegian mobile customers occurs primarily between companies with their own mobile network. The NCA considered that the final commitments offered by TeliaSonera would provide a real opportunity for a third mobile network operator to enter the market and to compete for Norwegian mobile customers.

47. **Fuel: Rejects proposed purchaser of St1 Norge.** The fuel retail market is important to consumers. The Authority has several times over the last few years pointed to a limited state of competition in this market. Pursuant to the acquisition of Smart Fuels AS by St1 Nordic, the NCA imposed a duty to divest St1 Nordic's existing fuel retail business in Norway. The purchaser proposed in 2016, Blue Energy Holding AS, did not meet the requirements set forward in the decision to allow the merger, in particular that the purchaser should be independent of the seller, and that it should hold the requisite financial resources to effectively compete on the fuel market.

48. **Approval of Orkla to purchase Cederroth on conditions.** The approval was conditioned upon Orkla ASA being obliged to sell its soap brand Asan to an independent buyer, in order to be able to purchase Cederroth Intressenter AB. This condition for clearance was important as otherwise Orkla would end up having a monopoly in this part of the soap market, since it already owned one of the major soap brands Dr. Greve.

3. **The role of competition authorities in the formulation and implementation of other policies, e.g. regulatory reform, trade and industrial policies**

3.1 *Cooperating bodies.*

49. The NCA holds regular meetings for information and contact purposes with cooperating bodies such as the Financial Supervisory Authority of Norway, the Norwegian Post and Telecommunications Authority, the Norwegian Water Resources and Energy Directorate and the Agency for Public Management and eGovernment.

50. In addition to an agreement with the Norwegian Post and Telecommunications Authority, the NCA has cooperation agreements with the Consumer Ombudsman and the Norwegian Consumer Council. The three institutions have regular cooperation on specific cases, in addition to regular contact meetings twice a year.

3.2 *International cooperation.*

51. For the NCA, international cooperation has a high priority, not least through the Nordic network, the ECN, ICN and the OECD. The NCA aims to be an active contributor to these networks. In addition, the NCA has regular contact with the EFTA Surveillance Authority on ongoing cases with a cross-border dimension.

52. In 2014, a working group from the Nordic competition authorities started its work on a joint report on competition in waste management markets. The report was published in 2016 (see chapter 5 for more information).

53. The NCA sent one written contribution for OECD-meetings in 2015, namely to the Roundtable on competitive neutrality in competition enforcement.

3.3 *Expressing competition concerns related to existing or proposed regulations*

54. According to section 9 of the Competition Act, the NCA shall supervise competition in the various markets, among others by implementing measures to promote market transparency, and by calling attention to any restrictive effects on competition of public measures (section 9e).

55. In 2015, the NCA produced 10 hearing statements expressing concerns related to consequences for competition of proposed laws and regulations. By acting as a hearing body, the NCA ensures that the competition perspective is given due consideration when new policies are being adopted.

56. In 2015/2016 the authority published reports on competition in the markets for residential property development, housing (mortgage) loans, taxi transport and waste management. The reports gained significant media attention, and in some cases made an immediate impact on market behaviour, for instance by stopping bank managers from price signalling in the media. Following the NCA study on the taxi market, the government is in the process of reviewing the regulatory framework for the industry. See section 5 below for a brief summary of the market study reports.

4. Resources of the competition authorities

4.1 *Resources overall (current numbers and change over previous year):*

4.1.1 *Annual budget (in NOK and USD):*

57. The annual budget for the NCA for 2015 was 94.14 million Norwegian kroner (approx. 11.7 million USD²). For 2016, the budget is 95.17 million Norwegian kroner (approx. 11.8 million USD).

² Exchange rate from Norway's central bank for 2015: 8.0739 NOK = 1 USD

4.1.2 *Number of employees (person-years):*

58. Of the NCA's 101 employees per 1 January 2016, 37 were economists and 35 were lawyers. In total, 75 out of 100 worked on competition enforcement. These numbers include staff on leave of absence. In person-years for 2015, the numbers are:

- Economists: 33,26
- Lawyers: 28,95
- Other professionals: 3,79
- Support staff: 23,2
- All staff combined: 89,2

4.2 *Human resources (person-years) applied to:*

59. **Enforcement, merger, and advocacy.** The NCA is organized by sector. Thus, the case handlers are organized in market departments with responsibilities towards specific markets. All case handlers work with all types of competition cases within the markets allocated to them. In addition, the NCA has an investigations staff with approximately five staff members dedicated to cartel investigations and anti-cartel networking only. The investigations staff supports the market sections in cartel cases. Specialized legal and economic support and quality assurance is provided by the legal director's team and the chief economist's team. In principle, all case handlers can be engaged in advocacy work. There is a close cooperation between the department of communications and PR and the other departments to ensure target groups are reached with important messages and outcome in cases.

60. The NCA started using an internal activity-monitoring tool in January 2009. Administrative tasks and training/competence excluded, resources used on the different core activities were in 2015:

- Mergers: 45-50%
- Anti-cartel: 30%
- Dominance-related issues: 5-10%
- Other (eg, advocacy): 10-15% - other main activities are advocacy and international cases

61. There has been a notable increase in the percentage of resources used on merger cases in 2015: from 35 per cent in 2014 to 45-50 per cent in 2015. To avoid a negative effect on the progress of investigations in important cartel and dominance cases, the NCA has continued its efforts to make case handling processes as effective as possible.

4.3 *Period covered by the above information:*

62. Numbers of staff as of 1 January 2016. Person-years and resource use on core activities are based on registrations by employees for the whole of 2015.

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

63. **Regulations restricting competition.** In 2015, the Ministry of Trade and Fishery asked the NCA to coordinate a study on methodology to identify possibly regulations harming competition. The result was a report written by Menon Economics, which presents a framework designed to identify and analyse regulations potentially harmful to competition in the service sectors. The report includes three case studies to exemplify the framework, ie. in the sectors of kindergartens/preschool, transport of goods on roads, as well as retail banking. OECDs Competition Assessment Toolkit was a major reference guidance for the proposed framework.

64. The authority published three market study reports in 2015, and one in the first part 2016; the latter in cooperation with the other Nordic authorities:

65. **Competition problems in the market for residential property development.** In 2015, the NCA presented the results of a study on the competition in the market for residential development in six of the largest urban areas in Norway, and found indications that competition in several of the urban areas studied is limited. The data collected and the Authority's calculations show that the market is concentrated in most urban areas, especially if the assessment is based on land ownership by the different housing developers.

66. The supply of land is limited, and is one of the main challenges in urban areas. In periods of rising land prices and limited supply of parcels, smaller operators in particular face a relatively significant competitive challenge. These challenges are enhanced by municipal regulatory and planning processes that are time consuming and might be experienced as inefficient, and often unpredictable. Smaller players have fewer opportunities than the larger ones to bear the economic risk that a long and uncertain regulatory process entails.

67. In the study, the NCA proposed several measures that can help to strengthen competition in the market, ia. more efficient and predictable public planning processes for the development of land for residential housing.

68. **Housing loan.** The NCA started a sector inquiry in 2014 on the period from 2007 till the beginning of 2014. In 2015 a report on housing (mortgage) loans was published. Interest rates have become more alike since 2012, and in the same period margins increased. This market is seen as being very sensitive to coordination, and the authority focuses on making sure banks do not openly communicate future interest rates. Another possible damage to competition was the way new requirements of capital adequacy were introduced in 2013. Most of the requirements were taken on by the consumers. This was signalled by banks through media, in the same way as future interest rates were signalled.

69. In its report the NCA criticises the way new capital adequacy requirements have been implemented by the financial authorities, and suggests several measures to improve competition, among others harmonisation with EU-regulation.

70. **The taxi market.** In March 2015, the NCA published a market study report on the taxi market. The Norwegian taxi market is highly regulated. The suppliers in this market must adhere to a comprehensive regulatory framework and several different government regulators. There are high entry barriers, not the least through the counties being responsible for issuing new licenses based on an assessment of whether there is a 'need for new licences', driver qualification test and a number of other restrictions related to getting and having a taxi license. There is also a requirement that a taxi licensee must have taxi driving as his or hers sole occupation. The consequence is that the supply side is highly

inflexible. Furthermore, taxi prices in parts of the country outside the major cities are regulated through maximum prices.

71. However, there are several key factors that make it necessary to look at the regulatory framework for this market with new eyes. Firstly, it is clear that technological advances have changed the basis of regulation. Today, it is a reality that over 80 percent of the population have a smart phone, while only four years ago the corresponding number was just under 50 percent. Another, yet related aspect of the digital economy is disruptive innovators like Uber.

72. If regulation is disproportionate in relation to the objectives, or not reflect the current realities, weakened economic growth and lower rate of innovation and productivity will be some of the consequences that follow from the negative impact on competition. However, the regulatory framework must also reflect that the taxi industry has an important role in the overall public transport services in Norway. Moreover, there are important policy concerns related to passenger safety that also must be safeguarded through appropriate regulations. Thus, a discussion of the framework for the taxi industry must therefore assume that the policy objectives related to the industry's role in the overall public transport system and passenger safety remains safeguarded.

73. In the report, the NCA concludes that the time is ripe to abolish the counties power the issue new taxi licences based on an assessment of need and the requirement that licensees must have taxi driving as their sole occupation. The time is also ripe to abolish regulated prices for the parts of the taxi industry operating outside the major cities. The NCA argues that a customized, flexible and modern regulatory framework will stimulate entry, competition and innovation to the benefit of taxi customers. The requirements for obtaining a taxi license must be oriented towards safeguarding passengers' needs for security, both in terms of driver and vehicle. Moreover, the regulatory framework must also ensure that competition can take place on equal terms between new and established taxi dispatch platforms.

74. **Waste management – circular economy.** In 2014, the Nordic competition authorities started a joint market study work on the waste management market. In the last decade, the waste markets have evolved with an increased emphasis on waste prevention, reuse, recycling and other forms of recovery of materials or energy. The use of market mechanisms in waste management has also increased in recent decades. Moreover, the European Union recently implemented the “circular economy” as one of its main policy objectives. The aim of the circular economy is to move from the linear industrial economy of taking resources, using them, and then disposing of them once the lifetime of the product is over, to an economy where materials are reused, recycled and finally reintroduced back into production. The report takes a circular economy perspective on waste management, assessing current policies in the Nordic countries. In the report, it is argued that the authorities need to move from a traditional management approach to dealing with waste, to a perspective where focus is on the basis for and management of markets in the different parts of the waste chain. The main recommendations are: i) increased use of market solutions, ii) clarification of public roles and goals, and increased dialogue, iii) sufficient tools to tackle competitive neutrality issues; iv) better use of procurement procedures, v) improved statistics and common definitions, vi) ensuring the efficiency of EPR schemes. The report was published in February 2016.

75. **Funding research in competition law and economics.** In 2014, the government gave the NCA the responsibility to allocate funds for research in competition law and economics in the order of approximately 6 million NOK per year (approximately 0.75 million USD). Funds were allocated both in 2015 and 2016. None of the studies were finished in 2015.