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**COMPETITION COMMITTEE**

## Annual Report on Competition Policy Developments in Norway

-- 2021 --

This report is submitted by Norway to the Competition Committee FOR INFORMATION.

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## Norway

### Executive summary

1. In the past year, an increasingly concentrated structure in the grocery market dominated the Norwegian Competition Authority (NCA or ‘The Authority’ hereafter) work. In 2019, the NCA received extra funding from the Ministry of Trade, Industry and Fisheries to strengthen enforcement and advocacy related to the grocery sector. The Authority organized the initiative as a separate project: Project Grocery. In 2021, the Storting decided that this additional funding should be made permanent. This facilitates a long-term perspective on competence building, enabling the NCA to be well positioned to address the competition challenges in this sector.
2. On the enforcement side, the NCA issued a Statement of Objection (SO in December 2020) to the three major grocery chains, warning that we considered imposing a fine totalling NOK 21 billion.<sup>1</sup> The basis for the SO was suspicion that the grocery chains have given each other access to strategic market information, thus may have engaged in illegal anti-competitive cooperation. The NCA's preliminary assessment is that the three grocery chains have cooperated in a way that may have led to higher grocery prices. The cooperation concerns the chains’ so-called price hunting practices. The NCA continued its assessment based on the investigation and the replies from the parties to the SO throughout 2021.
3. The Authority have also carefully analysed a case relating to price discrimination in the same market, considering if the observed price differences amounted to a violation of the Competition Act. After a thorough assessment, the conclusion was that there had been no violation of the competition law, and the case was closed in spring 2021.
4. In addition to actively enforcing the prohibition regulations of the Competition Act, advocacy is an integral and important part of the NCA's work. This ambition requires thorough understanding of vulnerable markets. With respect to the groceries sector, the Authority started mapping the reasons for the differences in purchase prices observed in the groceries market in the autumn of 2021. In addition to analysing specific submarkets, like the value chain for fruit and vegetables, the NCA has in particular examined barriers to entry in the market, for example municipal regulations and the grocery chains' use of easements on properties, effectively raising competitors' barriers to entry. The NCA also follows the development of the online grocery market closely. Given consumers’ option of online shopping for groceries, new and innovative players emerge and provide new services to consumers. However, for online players to enter the market and compete against the incumbent grocery chains, there must be framework conditions that enable their entry.
5. A key element in the NCA strategy is to understand how competition unfolds in "digital markets", ie. markets based on digital information and communication technologies, typically occurring on digital platforms. The Authority has implemented a comprehensive strategy to improve its digital competencies and capacity. The strategy implies an upgrading of the organizations’ administrative performance and better use of digital tools and data for more efficient market surveillance. Last year the NCA published a report with the results of a market study examining the extent and how Norwegian

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<sup>1</sup> Approximately USD 2.33 billion, [according to end of 2021 exchange rate](#) 9 NOK = 1 USD. This exchange rate is used for all NOK/USD conversions in this annual report.

companies use pricing and monitoring algorithms. Furthermore, the Authority participated in a supervisory network together with the Norwegian Consumer Agency and the Norwegian Data Protection Authority, exchanging experiences related to digital markets.

6. Market intelligence is of utmost importance in the digital strategy, in particular what the major companies do with regard to mergers and acquisitions - even when these transactions are below the obligatory notification thresholds. In this context, the NCA assessed whether there are players in digital markets who should be subject to an enhanced duty to provide information on acquisitions below the threshold values. The assessment concluded that a major player in digital advertising markets, Schibsted AS, should be required to provide such information for a more closely defined market.

7. The digital strategy includes efforts to identify and use opportunities to retrieve data from external sources for analysis and screening purposes. With the recruitment of two data scientists, with competence on information retrieval, automation and the use of machine learning models, the NCA is about to upgrade its competence and capacity for effective enforcement on the basis of the data that digitization generates, both in the private and public sector. The Authority will continue its work to gain effective access to data as a basis for enforcement. This applies to eg. data companies exchange through third parties for price comparison services, and access to data from public procurement.

8. An important prerequisite for achieving the Authority's enforcement goals is to have high visibility. A survey conducted by the NCA among business leaders in 2021 shows that knowledge relating to the NCA's enforcement work and tasks had increased since the previous survey published in 2018. Increased knowledge is closely linked to media attention. The Authority has a media coverage consisting of more than 4500 news items in Norwegian media last year. A total of 16 op eds in main news outlets were written by employees in the Authority. Moreover, the NCA used social media actively to reach primary target groups and produced six podcasts on topical issues. At the same time, the survey among business leaders shows that there is still room for increasing knowledge about competition law, especially among small and medium-sized enterprises.

9. By the end of 2021, Mrs. Tina Søreide was appointed by the Norwegian Government as the new Director General of the NCA. Before starting as the head of the NCA, Søreide was a professor at the Department of Accounting, Auditing and Law at the Norwegian School of Economics (NHH). She succeeded Mr. Lars Sjørgard when his six years term as DG ended in January 2022.

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

10. The NCA'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. The Competition Act entered into force on May 1, 2004.

11. To enhance effective enforcement and accommodate changes in the institutional context, the Act has been revised on several occasions since 2004. For instance, effective from 2014, the notification procedure was altered significantly together with a significant increase in notification thresholds. In 2016, additional changes were implemented, eg. the Act became more harmonized with EU-merger regulations, the possibility for settlements in cartel cases was introduced, and an independent competition complaints board - the Norwegian Competition Appeals Tribunal - was established effective from 2017.

12. The purpose of the Act is to promote competition in those cases where it contributes to efficient utilization of society's resources to the benefits of consumers. The Act is largely

harmonized with EU competition rules and includes prohibitions against cartels and abuse of dominance, as well as leniency provisions modelled after the ECN Model Leniency Program. Mergers and acquisitions are prohibited from being implemented before they have been notified to and reviewed by the Authority.

### **1.1. Summary of new legal provisions of competition law and related legislation**

13. There are no new legal provisions of competition law, but the NCA has imposed extended disclosure requirements for some new markets and companies.

14. Under the Competition Act, the NCA has three specific tools intended for efficient review of mergers and acquisitions:

- General turnover based notification rules
- The competence to order notification of transactions falling below the turnover thresholds
- The competence to impose disclosure requirements on individual firms

15. In some industries, the structure and degree of concentration implies a need for special attention from the Authority. Here, apparently minor changes in market structure due to mergers and acquisitions may harm competition. This is in particular a concern in markets where competition plays out primarily at the local or regional level. If the turnover of the targeted undertakings is limited, such transactions may not be covered by the general notification rules set out above. If the NCA is not informed about them in a timely manner, it may not be in position to order notification of these transactions within the statutory time limit of three months.

16. To survey and control structural changes in such markets, the NCA is empowered to request individual firms to inform the NCA about transactions for which notification is not mandatory according to the general rules, i.e. transactions below the thresholds that normally apply.

17. The requested information must be provided within three days after the final agreement has been concluded or control has been obtained. Such disclosure requirements are imposed by way of requests for information under Section 24 of the Competition Act and apply for a specified period of time, typically for two years. Fines may be imposed in cases of non-compliance with the disclosure requirements.

18. The purpose of the disclosure requirements is to make the Authority aware of acquisitions that these companies make. The aim is to prevent that acquisitions by large companies of smaller market players cause harm to competition. Firms may thus be required to inform the NCA when they acquire control of or merge with another undertaking operating in specified markets or industries and the notification thresholds are not met. In some instances, disclosure requirements may also cover acquisition of minority shareholdings.

19. Currently, the extended disclosure requirements apply for the following markets and companies:

- Motor fuel retailing: Uno-X Energi AS, St1 Norge AS, Certas Energy Norway AS and Circle K Norge AS
- Electricity generation: Statkraft AS, BKK AS, Skagerak Energi AS and Agder Energi AS
- Waste management and recycling: Norsk Gjenvinning Norge AS

- Groceries: Norgesgruppen ASA, Coop Norge SA, Rema 1000 and Bunnpris IK Lykke AS
  - Newspapers: Amedia AS, Polaris Media ASA and Schibsted ASA
  - Broadband services: Telenor ASA
  - Residential alarm services: Verisure AS and Sector Alarm Group AS
  - Laundry services: Nor Tekstil AS
  - Garden centres: Plantasjen Norge ASA
  - Concrete: Nordic Concrete Group AS, Heidelberg Cement Norway AS and Unicon AS
  - Accounting systems: Visma AS
  - Certain online advertising services: Schibsted ASA
  - Charging services for electric cars: Mer Norway AS, Circle K Norge AS, Eviny Elektrifisering AS, Recharge AS and Tesla Norway AS
20. The NCA regularly considers whether it is necessary to impose disclosure requirements on other market players.
21. An updated list can be found on our [website](#).

## 1.2. Other relevant measures, including new guidelines

22. **Hearing related to guidelines on price discrimination.** In October 2021, the NCA sent a draft guide on price discrimination for public consultation. Part of the reason why the NCA chose to prepare a draft guide on price discrimination is the public debate that has taken place related to the topic, especially within the grocery sector. Among other issues, price discrimination was also topic in the government White Paper to the Parliament (St. Meld 27 (2019-2020)) on "Grocery and Competition - The Battle for Customers". The Parliament concluded its discussions on the White Paper with ia. requesting the Government to instruct the NCA to strengthen its guidance related to the grocery sector, and to make it clear that the NCA in its work must clarify that suppliers with a dominant position have a special responsibility to document that differences in procurement conditions are objectively justified and not harm competition.

23. In a supplementary letter of assignment 2 March 2021, the Ministry of Trade, Industry and Fisheries asked the Norwegian Competition Authority to follow up the Parliament's decision in an appropriate manner, using the instruments available to the Authority, while at the same time emphasizing that the Competition Act applies.

24. The purpose of the guide is to provide external parties with knowledge concerning the legal and economic aspects related to an assessment of price discrimination, and when such practices may be in breach of the Competition Act. The guide is general, and thus applies to all types of markets. However, the guide is not intended to be exhaustive or legally binding as to when an infringement can be established or not.

## 1.3. Government proposals for new legislation

25. Hearing related to several proposed changes in the Competition Act. In October 2021, the government submitted proposals for amendments to the Competition Act for

public consultation. The consultation applies in particular to proposed changes in the appeals scheme and the Competition Appeals Tribunal, which has been active since 2017.

26. The consultation memorandum is comprehensive and addresses, among other things, the question of whether the Tribunal should be abolished as an appeals body, ie. whether appeals must follow the ordinary court based appeals scheme, whether some other administrative appeals scheme should replace the Competition Appeals Tribunal or whether the possibility of administrative appeals should be abolished altogether..

27. Prior to the establishment of the Tribunal, appeals against the NCA's substantive interventions against mergers and acquisitions (in addition to procedural decisions), were decided by the Ministry, whereas the NCA's decisions relating to the prohibition regulations and infringement fines had to be tried directly before the courts. The Competition Tribunal was established in 2017 as the first instance to review the NCA's decisions in mergers as well as cartels and abuse of dominance cases.

28. The Tribunal was established, among other things, to ensure that all appeals against the NCA's decisions were tried by an independent and professionally competent, court-like body. Decisions by the Competition Appeals Tribunal may be appealed to the Gulating Appeals Court (Court of 2nd instance) and ultimately to the Supreme Court. Since the Competition Appeals Board initially was considered an administrative body, the NCA does not have the right to appeal decisions by the Board.

29. One of the main questions raised in the consultation memorandum is whether the Competition Tribunal should be dissolved. This implies that the NCA's substantive decisions will be subject to ordinary judicial review, or be processed by the Ministry. When the Tribunal was established, it was estimated that it would process two to four major cases annually.

30. The Ministry notes that the Tribunal has worked well. Notwithstanding, according to the consultation memorandum, the number of cases relating to NCA's decisions based on the prohibition regulations and structural control has been lower than expected.

31. One alternative outlined in the consultation memorandum is that decisions in infringement and merger cases must be tried directly before the courts.

32. The consultation memorandum alternatively suggests that the Tribunal continues as an appeals body. Provided the Tribunal continues as an appeals body, proposals are made for significant changes in the procedural rules for appeals against the NCA's decisions. Among the changes proposed in the hearing are:

- The NCA shall be given competence to bring the Tribunal's decisions before the courts
- The parties can choose whether the case is brought before the Tribunal or directly before the district court
- Introduction of current interest rate on infringement fees until a final decision is reached

33. These proposed changes are described in somewhat more detail below.

34. The NCA can appeal decisions by the Tribunal. As mentioned above, the NCA does not currently have the competence to appeal decisions by the Tribunal. The background for proposing that the NCA can appeal decisions by the Tribunal, is that the Tribunal is an independent appeals body responsible not only for first instance appeals in merger cases, but also court of 1<sup>st</sup> instance relating to administrative fines in infringement cases.

35. The parties can choose 1<sup>st</sup> instance appeal body. The Ministry is considering removing the requirement for an appeal to the Competition Appeals Tribunal as a prerequisite for access to legal action over the NCA's decisions. The rule today is that the case must be heard by the Tribunal before the case can be tried in the courts. Currently, Gulating Court of Appeal is the designated appeal body for the Tribunal's decisions. With the proposal, the appellant will be able to choose between an appeal to the Tribunal or a lawsuit before the district court. Hordaland District Court is proposed as a compulsory body for 1<sup>st</sup> instance appeals. The proposal implies that the current procedural rules that lawsuits against the Tribunal's decision shall be brought directly before the Gulating Court of Appeal will be discontinued.

36. Interest rates. Currently, the savings on deferred payment on administrative fines when the case is under appeal until final decision can be substantial. With a significant increase in the level of fines as the NCA's fining principles have been harmonized with EU-principles, the savings have also increased. This adds to the incentives to appeal, as the interest-free deferral of payment reduces the real value of the nominal amount of the fine.

37. The Ministry proposes that it should be possible to demand interest for infringement fees from two months after the NCA's decision has been received and until the decision is final. The interest rate proposed is the money market rate plus one percentage point.

38. In addition to these proposals, some other changes are presented in consultation memorandum. One is a significant reduction of the appeal deadline in cases of infringement fines from six months today to 15 working days. Another proposal is to remove the obligation to hand over a copy of seized electronic material during inspection visits to "the inspected". Moreover, it is proposed that the Tribunal's case processing deadline is suspended while a reference of interpretation is pending before the EFTA Court. The Ministry also proposes that the exception in the Competition Act § 26 from the Public Administration Act for infringement cases be extended to include also eg. cases of breach of the duty to provide information.

## 2. Enforcement of competition laws and policies

39. 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.

40. The NCA can impose civil reactions for violations (eg, an administrative fine for the company or companies involved). However, the Competition Act also has its own penal section. The Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime has the responsibility for carrying out criminal investigations,



including prosecuting aspects of cases involving competition crime. Normally, cases referred by the NCA to the public prosecution authority will be of a very severe nature.

41. In 2021, the NCA referred one case to the prosecution authority for assessment of criminal sanctions.

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

### 2.1.1. Summary of activities

42. Relating to the pandemic, the NCA took a pro-active role emphasizing clear signals relating to the limits of cooperation, surveillance and guidance, reflected by the work of two separate task forces and dedicated information on our website, described in somewhat more detail in subsection 2.3 below.

43. In order to be able to carry out dawn raids during the pandemic, the NCA has established a guideline for dawn raids regarding infection control. Several dawn raids have been conducted based on the guidelines, to safeguard the health of NCA officials and the employees of the subject under investigation.

**Table 1. Investigative Work Activities 2014-2020**

Cases / locations	2014	2015	2016	2017	2018	2019	2020	2021
Securing evidence section 25	6/17	1/2	1/3	3/3	2/10	2/6	1/2	2/8
Depositions (formal statements) section 24	4/34	5/45	4/17	4/20	4/34	6/39	3/6	0

44. The NCA continued its market monitoring in the wholesale market for electricity, the fuel market, the grocery market and the domestic air transport market.

45. Leniency was introduced by the Competition Act of 2004. The threshold for seeking leniency appears to be relatively low. However, some of the NCA's larger cases have been the result of the leniency program. Surveys in previous years have clarified the lack of knowledge about leniency among business leaders in Norway, and the NCA has intensified its communication in media on both leniency program and the possibility for anonymous tip-offs. A new channel has been introduced for sending tip-offs encrypted.

**Table 2. Applications for leniency 2014-2020**

	2014	2015	2016	2017	2018	2019	2020	2021
Number of applications	3	3	3	7	3	4	2	2

### 2.1.2. Description of significant cases, including those with international implications

46. For the NCA, antitrust has always been a key priority. The Authority endeavours to work broadly, with various types of cases in a diverse range of markets that are important for Norwegian consumers.

47. Tip-offs, complaints and leniency applications are important to ensure the greatest possible direct and indirect effects of enforcement. Through targeted information measures, the NCA obtains more tip-offs related to possible competition crime. An important part of

this work was to establish a portal for anonymous notification and anonymous communication with informants. This portal became operative in the spring of 2020.

48. Moreover, the NCA has also adopted a more proactive approach to discover cartels. In that regard, several projects on uncovering cartels *ex officio* have been initiated since 2017. In addition, the NCA utilizes the possibilities that digital tools provide, using new sources and methods for data analysis for the detection of cartels.

49. This provides the basis for prioritizing cases and activities in line with our strategic plan.

50. In 2021, the NCA conducted investigations in several markets based on concerns that companies exchanged competitively sensitive information, notably:

- market for relocation services
- health-related market

51. Investigation in these cases continues in 2022.

52. **Market for sea freight.** In October 2020, the NCA carried out unannounced inspections at the premises of companies in the market for sea freight. The purpose of the unannounced inspections was to investigate a possible infringement of Section 10 of the Competition Act against anticompetitive agreements and concerted practices. Based on an examination of the evidence that was seized during the inspections, the NCA found that there were insufficient grounds to proceed with the case. Consequently, in February 2021, the Authority decided to close its investigation. The case illuminates the NCA's key policy of effective investigations and closing the case early if no signals of infringement are found.

53. **Foodora - a digital platform case.** In 2021, the NCA initiated an investigation against Foodora, a company that operates a digital platform that restaurants can use to sell prepared meals to end-users. Digital platform markets are often characterised by rapid growth, network effects and economies of scale. In such markets, challengers must gain a certain size in order to compete efficiently against established companies. The larger the established companies are, the harder it is for smaller companies to enter the market.

54. The purpose of the investigation was to ascertain whether the prohibitions of Sections 11 and 10 of the Competition Act against abuses of a dominant position and anticompetitive agreements may have been infringed. The NCA's concern was in particular related to the use of exclusivity agreements. Such agreements between dominant companies and their customers are agreements that oblige customers to buy all or most of their requirements from the dominant company.

55. The NCA closed the case with commitments in January 2022. Although Foodora did not agree that there are competition concerns in this case, it nevertheless committed to not use exclusivity clauses in its agreement with restaurants. Thereby, restaurants having an agreement with Foodora can also cooperate with other food ordering platforms. Foodora has also agreed to refrain from using any form of incentives or pressure to obtain exclusivity. For example, this means that Foodora cannot request higher prices from restaurants that decide to cooperate with other platform companies as well. Consequently, other food ordering platforms can thereby access the market more easily.

56. By adopting a commitment decision in this case, the NCA managed to resolve the identified competition concerns rapidly, which is of particular importance in fast evolving markets.

57. The NCA has paid particular attention to the groceries and food markets for many years. Competitive conditions in these markets have a major impact on Norwegian

consumers. However, the markets are typically highly concentrated both at the wholesale and retail level. Looking back at last year's enforcement activity, two notable cases can be mentioned. One is related to price discrimination, the other to transparency and so called "price hunters".

58. **Price discrimination in the groceries market.** In November 2019, the NCA conducted a major dawn raid in 2019 related to the grocery sector in Norway, more specifically involving the companies Orkla, Mondelez and Norgesgruppen.

59. The inspection was carried out, amongst other factors, following a market study documenting significant price differences in terms of purchasing among the groceries chain. In the grocery market, every grocery chain negotiates with suppliers about prices and other conditions. The grocery chains are different among other things, with respect to assortments, volumes, marketing and in what they otherwise offer to suppliers. These factors can contribute to differences in the chains' purchase conditions.

60. Consequently, price differences occur as a result of negotiations, and tough negotiations between suppliers and grocery chains can give the chains lower purchase prices and, thereby, a basis for lowering their prices to consumers. This will benefit customers, even if differences between the grocery chains become considerable. Regardless, both the competition law and the newly adopted Act on Good Commercial Practices in the Grocery Supply Chain, set boundaries for negotiations and competitive conduct, with the view to protect the interest of consumers.

61. In the market study, the NCA documented significant differences in the grocery chains' purchase prices, and that the major grocery chain Norgesgruppen generally tended to obtain better conditions from suppliers than the competitors Coop and Rema 1000.

62. The concern was that large differences in purchase prices could have short term and long term negative effects for competition and in some cases could lead to higher prices to consumers, and constitute a possible violation of the competition law.

63. In the investigation, the NCA analysed a substantial amount of information that was seized during the inspections. The NCA considered whether dissimilar conditions have been applied to equivalent transactions, whether dissimilar conditions may have restricted competition, and, if so, whether this could be the result an anticompetitive agreement or an abuse of a dominant position. After thorough consideration, the NCA found no basis for continuing the investigation. Consequently, in June 2021, the Authority closed its investigation against Orkla, Mondelez and Norgesgruppen.

64. However, the fact that no infringements of the Competition Act has been identified in this specific case, does not mean that differences in purchase prices cannot give rise to competition concerns. Applying dissimilar conditions to equivalent transactions may be in violation of the Competition Act if it harms competition. The Authority will therefore continue to monitor the differences in purchase prices, and explore why price differences occur.

65. **"Price hunters" in the groceries market.** In the same market, the NCA have continued its assessment of material from a dawn raid conducted in 2018. The background for the case was information about an agreement between the grocery chains, which allowed the grocery chains to access each other's stores to collect information about shelf prices for use in comparative advertising. The NCA had received knowledge that each chain had built up an organisation of "price hunters", who collect prices from competing grocery stores.

66. Following a period of increased activity of this kind, the Authority decided, in 2016, to examine the grocery chains' pricing and information flows in more detail, including the

practice of collecting price information from competing grocery stores. That examination led the Authority to conduct unannounced inspections at Norgesgruppen, Coop, Rema 1000 and Bunnpris in 2018 on the suspicion of exchange of strategic information between the grocery chains. After investigating the case the NCA decided not to proceed the case against Bunnpris. In 2020, the NCA issued an SO with a warning to impose fines totalling 21 billion NOK (USD 2.33 billion) on Norgesgruppen, Coop and Rema 1000. This level of fines is unparalleled in Norway. The parties have submitted their comments to the SO, which are currently being assessed before a final decision can be made.

### *2.1.3. Summary of development in cases that were appealed*

67. Before April 2017, the NCA's decisions to issue administrative fines in cartel and abuse of dominance cases could be appealed to the court of first instance in the ordinary court system. Decisions to intervene in merger cases had to be appealed to the Ministry for Industry, Trade and Fisheries. In April 2017, the Competition Appeals Tribunal was formally established. The Tribunal shall consider appeals against all decisions and rulings in merger cases decisions issuing fines for abuse of dominance and collusive behaviour, as well as decisions relating to access to file and duty to provide information etc. Decisions by the Competition Appeals Tribunal may be appealed to the Appeals Court and ultimately to the Supreme Court. Gulating is now the designated appeals court for competition cases. The NCA do not have the right to appeal decisions by the Tribunal.

68. Relating to the prohibition regulations and cases appealed, three cases can be mentioned.

69. **Telenor case concluded.** In November 2021, the Supreme Court's Appeals Selection Committee declined to review the appeal from major telecom operator Telenor. The background of the case goes back to 2010, when Telenor chose to change the conditions in its access agreement with Network Norway, which was in the process of rolling out a third mobile network in Norway. The new terms were deliberately designed to encourage Network Norway to invest less in its own infrastructure, and instead to continue renting access to Telenor's network. At that time, the establishment of a third mobile network was a stated goal of the Norwegian authorities to ensure low prices for mobile customers. The NCA concluded that the terms constituted an abuse of Telenor's dominant position. The decision by the Supreme Court's Appeals Selection Committee implies that the judgment of the Court of Appeal is final, thus the fine of NOK 788 million (USD 87.55 million) imposed on Telenor for abuse of a dominant position were upheld.

70. **Publishing companies and collective boycott.** In May 2021, the Supreme Court unanimously ruled in favour of the NCA in a case against the two the publishing companies Cappelen Damm and Gyldendal. The Supreme Court found that the collective boycott of the distributor Interpress by Cappelen Damm and Gyldendal, together with two other publishing companies, constituted a restriction of competition by object in violation of Section 10 of the Competition Act. Notably, the Supreme Court concluded that the Court of Appeal did not make any errors in law when finding that the exchange of information between the competing publishing companies, and the joint decision not to deliver books to Interpress, constituted a restriction of competition by object. With reference to EU case law, the Supreme Court found it unquestionable that the exchange of information removed the uncertainty that the publishing companies might have had about the functioning of the market after Reitan Convenience had decided only to use its own subsidiary, Interpress, for the distribution of books to its retail outlets.

71. Borgarting Court of Appeal set the fine imposed on Gyldendal at NOK 6.3 million (USD 0.7 million), which were upheld following the Supreme Court ruling. The parent company of Gyldendal was held jointly and severally liable for the fine.

72. **Market sharing among providers of residential alarm services.** In November 2021, the Competition Appeals Tribunal upheld the NCA's decision relating to market sharing in the market for residential alarm services. The Tribunal upheld the fine of NOK 766 million (USD 85.11 million). The background of the case goes back to 2017, when the NCA carried out unannounced inspections at the premises of Verisure AS and Sector Alarm AS. In 2019 the NCA issued an SO informing the companies involved, ie. Verisure AS and Sector Alarm AS, stating that a fines for collusive behaviour were considered. In the NCA's view, the companies involved had collaborated to share the market between them in the period 2011 to 2017. The firms agreed not to sell alarm services to each other's residential customers through door-to-door selling. Both companies limited the extent to which their door-to-door sales representatives could sell alarm services to the other company's customers, and this applied throughout the country.

73. Sector Alarm AS chose to accept the fine prior to the deadline for submitting a reply to the Statement of Objections. On that basis, the NCA's decision to impose a fine of 467 million NOK (USD 51.9 million) on Sector Alarm is final. Relating to Verisure, the NCA concluded that the company had violated the Competition Act by coordinating illegally with Sector Alarm, and that the conduct at issue constituted a restriction of competition by object. In the decision, a fine of 766 million NOK (USD 85.11 million) was imposed on Verisure AS. Verisure appealed the decision.

74. The Tribunal's decision confirm that market sharing is a serious violation of the Competition Act, which is also reflected in the fines imposed in this case. It can be added that the fine has now been paid by Verisure.

## 2.2. Mergers and acquisitions

75. An important task for the NCA is to assess and prohibit concentrations that will significantly impede effective competition. To fulfil this task, the NCA has been equipped with three different tools: i) the general notification rules, ii) the extended duty to notify and iii) the power to order notifications. The first tool is the most important in merger control, according to which companies and other business enterprises have a duty to notify the NCA about any mergers, acquisitions and agreements by which they acquire control of other companies, if the turnover of the undertakings concerned exceeds the turnover thresholds. A concentration must be notified to the Authority if the combined annual turnover of the undertakings concerned exceeds NOK 1 billion in Norway. However, there is no duty to notify a concentration if only one of the undertakings concerned has an annual turnover exceeding NOK 100 million in Norway (USD 111 million and USD 11.1 million, respectively).

76. For sectors and industries that already have a structure and degree of concentration that justify an enhanced focus, the NCA has the power to impose an extended duty to notify on specific firms. This implies that the firm must notify everything it does in relation to concentrations.

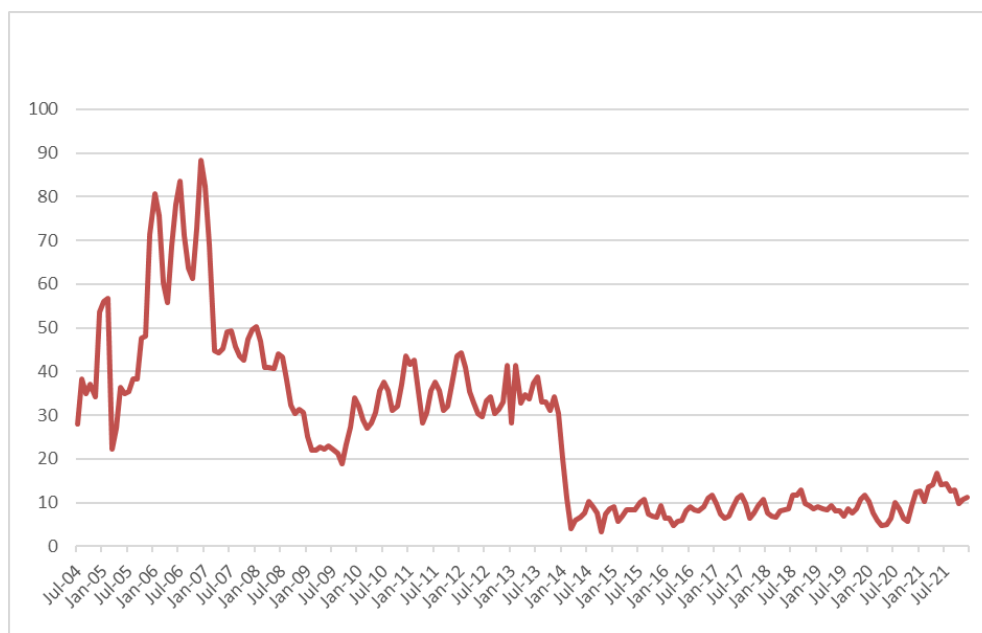
77. The NCA also has the power to impose a duty on a specific concentration which it becomes aware of – even if the related turnover is below the notification threshold levels. Imposing a duty to notify can be done if the NCA has reason to assume that competition will be affected by the transaction or if other particular considerations indicate that the Authority should examine the case in more detail. This tool is of particular relevance in relation to analysis of established firms buying start-ups and to prevent killer acquisitions.

78. In addition to assessing notified mergers, the NCA monitors mergers that previously have been approved with remedies. In most of these cases a monitoring trustee, appointed by the NCA, makes sure conditions are met.

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

79. In 2021, the NCA received 156 notifications compared to 93 in 2020. Among the notifications, 94 per cent were cleared within the legal limit of 25 working days for phase 1. Notably, 60 per cent of the notifications are so-called simplified notifications, relating to mergers not likely to affect competition negatively.

Figure 1. Notifications of mergers and acquisitions - May 2004 - December 2021 (3 months running average)<sup>2</sup>



80. For the NCA, it is important that the merger control provides businesses with predictability and quick clarification. Notably, the NCA cleared 94 notified mergers within the legal limit of 25 days for phase 1. This is a reflection of efforts to enhance efficient case handling with a focus on front-loading resources in the case – with results obviously of importance for the parties involved as well as freeing internal resources for other prioritized cases.

81. The NCA intervened in two concentrations: the acquisition of Sbanken by DNB in the market for financial services and the merger between Altia and Arcus in the market for wines and spirits. These cases are described in more detail below.

82. 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 markets like power production and the groceries market. The NCA considers continuously whether more actors should be obliged to send these notifications. For more information, see subsection 1.2 and the introduction of subsection 2.2.

<sup>2</sup> The significant drop in notifications in 2007 and 2014 were due to increasing thresholds. With the higher thresholds, there is a higher risk that some mergers and acquisitions that are potentially of concern will not be notified.

### 2.2.2. Summary of significant cases

83. Relating to mergers, four cases are of particular interest.

84. **Schibsted ASA and Nettbil AS (Nettbil.no).** In 2020, the NCA intervened against one merger, namely Schibsted's acquisition of Nettbil. Schibsted is the owner of the marketplace Finn and a provider of online classified advertising services. Nettbil operates an online auction platform for used cars sold by private persons to car dealers. Online marketplaces and other digital platforms have become increasingly important for Norwegian consumers. Competition between competing digital platforms contributes to ensure that new services are developed and that prices are kept as low as possible for consumers. In its assessment, the NCA concluded that the acquisition would remove the increasing competitive pressure that Nettbil exerts on Finn in the market for online sales of used cars, and will result in poorer services for consumers. The NCA's decision implied that Schibsted had to sell its shares in Nettbil to an independent and suitable buyer, which had to be approved by the Authority. The decision was appealed.

85. In May 2021, the Competition Appeals Tribunal agreed with the NCA's decision to prohibit Schibsted's acquisition of Nettbil. The Tribunal concluded that Schibsted and Nettbil must operate competing digital marketplaces for private persons who wish to sell their used cars, consequently Schibsted must sell its shares in Nettbil to an independent and suitable buyer, approved by the Authority. However, the decision by the Tribunal was appealed.

86. In March 2022 the Gulating Court of Appeal repealed the decision of the Competition Appeals Tribunal. The Court did not agree with the NCA that Schibsted's acquisition of Nettbil would significantly impede effective competition. The NCA considers if this decision should be appealed to the Supreme Court.

87. **DNB Bank ASA and Sbanken ASA.** In 2021, the NCA decided to prohibit DNB's acquisition of Sbanken. Of particular concern in the case was competition in the market for mutual funds. This is a market that has grown rapidly. More and more Norwegian customers want to invest in such funds. DNB was already the largest player in the market for mutual funds, and the acquisition of Sbanken would have strengthened DNB's position even further. In addition, Sbanken is a company with substantial competitive force. Over time, it has challenged the established banks and been a driver for increased competition. The NCA was concerned that acquiring Sbanken would have strengthened DNB's position even further. In the NCA's view, the companies' proposals for remedies were not sufficient to remove the Authority's competition concerns.

88. Thus, the assessment concluded that the acquisition would restrict competition in the market for mutual fund distribution. DNB appealed the decision to the Competition Appeals Tribunal. In March 2022, the Tribunal repealed the Authority's decision. The Tribunal concluded that it is not sufficiently likely that the acquisition will significantly reduce competition. As the NCA do not have the power to appeal decisions by the Tribunal, the outcome of the case is final.

89. **Altia Plc. and Arcus ASA.** The NCA decided to intervene against the merger between Altia Plc. and Arcus ASA in May 2021. The parties to the transaction are suppliers of wines and spirits to the Norwegian state-owned liquor store (Vinmonopolet). Altia Plc. and Arcus ASA are two of the largest players in the sale of various product groups of spirits in the Nordic region, and would, after the merger, become the largest player in the sale of aquavit, vodka and spirits below 22 per cent alcohol to Vinmonopolet. In addition, the NCA's concluded that the parties were each other's closest competitors in these markets.

90. After a thorough assessment, the NCA concluded that concentration would lead to reduced competition and could lead to higher prices, poorer quality or reduced innovation in the markets mentioned above. The merger was cleared with remedies. The decision implied that Altia Plc. and Arcus ASA committed to sell certain brands and related activities in the markets of concern before the business combination could be completed.

91. The case was also reported to the Swedish and Finnish competition authorities. As a result of similarities between the Nordic countries and the markets covered by the concentration, contact was established between the NCA and the Swedish and Finnish competition authorities in accordance with the Nordic co-operation agreement in competition cases. The co-operation agreement gave the competition authorities the opportunity to cooperate and share information and thus opened a new and Nordic dimension in case handling. This was the first case that has been handled by the active use of the Nordic co-operation agreement. The experiences from the co-operation have been very positive and form a good foundation for future co-operation across the Nordic countries.

92. **St1 Norge AS fined for failure to notify.** The duty to notify is an important part of the merger control. In order to safeguard the interests of consumers, the NCA is completely dependent on access to reliable and statutory information from the parties.

93. The motor fuel retailing markets in Norway are highly concentrated. Acquisitions of individual petrol stations by the large retail chains may increase market concentration in local markets. Consequently, the NCA has imposed disclosure requirements on the largest motor fuel retailers obliging them to inform the Authority about transactions whereby they take control over competing petrol stations. Such disclosure requirements, which apply to transactions that are not subject to mandatory notification under the Competition Act, have been imposed on St1 since 2017. The undertakings must, at a minimum, inform the Authority of the date of the final agreement, the parties to the agreement and the date the agreement was implemented.

94. In 2021, the NCA imposed a fine of NOK 3 million (USD 0.33 million) on St1 Norge AS for breach of disclosure requirements when it took control over a petrol station belonging to a competing chain. The NCA concluded that St1 Norway had not complied with its disclosure obligations in connection with the conclusion of this agreement. Consequently, the Authority was not able to review this concentration.

95. The decision was appealed to the Competition Appeals Tribunal. The Tribunal upheld the NCA's decision and the size of the fine. The decision confirmed that long term rental agreements can be considered as a concentration through effectively giving control over outlet premises, thus covered by the duty to notify. The Tribunal underlined the fact that the rental agreement was *particular long-term* and in reality contained a full responsibility over the gas station's management and employees.

### 2.3. Competition enforcement in times of crisis

96. Covid-19 has created a crisis in the business world. Nevertheless, even in times of crisis, and perhaps especially in times of crisis, it is important to preserve and stress the importance of competition. Competition contributes to innovation and a faster way through the crisis. This has been the main message from all EEA countries.

97. As the pandemic developed, the NCA implemented some measures to detect, deter and provide advice to business during the crisis.

98. A Task Force "Guidance" was established, which should give informal guidance from the NCA regarding cooperation initiatives during the Covid-19 pandemic. The task



Force had three members, one from each of the Market Monitoring Departments. Main focus was to provide information on the limits of cooperation given by the competition action in Section 10(1) and 10(3) corresponding to 101(1) and 101(3) TFEU<sup>3</sup>.

99. A Task Force "Price Policy Act" was also established, the background being that the Norwegian Price Policy Act can be triggered in times of crisis (maximum prices and prohibition of unreasonable prices). Disturbingly large price increases on face masks were observed, and the task force should consider triggering the use of the Price Policy Act, ie. regulate prices of important goods and services. Based on analysis of collected data for wholesale and retail prices, the task force concluded that no measures were justified.

100. The NCA also established a "Covid-19 procedure" for inspections. This is an internal procedure specifying necessary precautions during all the steps of a dawn raid, for instance implementation of the use of facemasks, keeping a safe distance, good hand hygiene and disinfectant for hands, disposable gloves when inspecting items.

101. In addition to these measures, the NCA published clear statements on its website, warning suppliers against exploiting the situation, joined the statement from the network of European Competition Authorities, ie. pointing out how certain competition law issues arising in the context of the pandemic can be handled.

102. Due to the special circumstances, temporary exemptions from the Competition Act's Section 10 were given relating to cooperation in certain industries, ie. aviation. All such exemptions are now withdrawn.

103. Due to the extraordinary price increases, the NCA examined price development within the market for timber and timber products. However, the Authority found no basis for enforcement measures. No new investigation has been initiated based on observed price developments in markets that have been particularly affected by the pandemic.

104. Regardless, the NCA monitors the development in several markets continuously. Since 2011, the Authority has collected data on the 12 largest routes in Norway from SAS and Norwegian. In 2021, the Authority also included Wizz Air (which operated in the first half of 2021), and Flyr, which started flights in the second half of 2021, in this surveillance. Through the pandemic, the Authority has called for caution in connection with the crisis measures, and pointed out that there is potential for competition on the major routes in Norway during and after the pandemic. The entry of a new, Norwegian airline in the midst of the pandemic supports this argument.

105. The NCA has also been an active advocate for competition in a number of other markets in the past year. The fuel market is a market that the NCA closely monitors. In the fall of 2020, the NCA decided on remedial measures against Circle K and YX, implying that the chains agree to stop publishing indicative prices on their websites. The measure has made it harder for the players to coordinate their prices. The Authority's market monitoring shows that it is now less predictable at which days, when during the day, and to what level the competitors intend to change prices. It also seems that the players are taking somewhat longer to adapt to the price changes. The NCA believes the change in practice following the decisions is to the benefit of the vigilant petrol customers.

106. Notably, we have also observed statements in the media in a number of industries, including in connection with presentations of quarterly reports, which may be close to signaling that may be unfavorable to competition.

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<sup>3</sup> <https://konkurransetilsynet.no/the-norwegian-competition-authoritys-work-during-the-coronavirus-pandemic/?lang=en>

107. The NCA has in particular focused on price signaling in the banking market. The Authority has warned banks against communicating to competitors whether they will raise their interest rates on mortgages in connection with Norges Bank's changes in the key policy rate. Competition works to the benefit of consumers when companies on an independent basis decide how to price their goods and services. If the banks receive information about what other banks intend to do before they themselves decide on their interest rates on housing loans, an important precondition for effective competition is eliminated.

### **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**

108. The NCA holds regular meetings for information and contact purposes with sector regulators such as the Financial Supervisory Authority of Norway, the Norwegian Communications Authority, the Norwegian Water Resources and Energy Directorate, the Norwegian Consumer Authority and the Norwegian Consumer Council. The contact with some of these bodies is formalised by cooperation agreements which provide a better framework to exchange information. Meetings are both on regular and ad hoc basis, depending on whether there are cases where both competition policy and sector based regulations are essential.

109. Moreover, the NCA has contact with other public institutions depending on priorities related to advocacy.

#### **3.2. International cooperation**

110. For the NCA, international cooperation has a high priority, with the Nordic network, the ECN, ICN and the OECD as the most important networks. The NCA aims to be an active contributor to these networks, and submits written contributions for OECD Competition Committee as well as presents cases in ECN Working Groups.

111. From 2021, the NCA is a co-chair of the ICN Merger Working Group, after having served as a co-chair for the Advocacy Working Group.

112. Another important arena for international cooperation is the European Competition Network - ECN. The European Economic Area (EEA) agreement makes Norway part of the European single market. The EEA links the EU member states and three European Free Trade Association (Efta) states (Iceland, Liechtenstein and Norway) into an internal market governed by the same basic rules. Thus, the agreement entails the free movement of goods, services, capital and persons. The agreement also entails common competition rules, public procurement rules and state aid rules, in order to ensure equal and fair conditions of competition between companies throughout the EEA. However, the internal market also means that many cases of competitive crime include companies that operate across borders and that the adverse effects affect consumers in many countries. This means that active participation in the European competition network ECN is all the more important for the NCA. In this regard, the NCA advocates mechanisms for effective enforcement cooperation between enforcement agencies in both the EU and the Efta pillar.

113. Moreover, the NCA has regular contact with the EFTA Surveillance Authority on ongoing cases with a cross-border dimension to ensure consistent application and enforcement of the EEA competition regulations, ie. Articles 53 and 54 corresponding to

101 and 102 TFEU. In 2021, ESA launched the Efta Competition Network, consisting of i) lunchtime webinars on topical issues, ii) regular meetings on more technical and enforcement related issues, as well as iii) more policy-oriented meetings at the management level.

114. Another important cooperation arena is the Nordic co-operation. The cooperation with the Nordic competition authorities is institutionalised in an agreement providing for effective cross-border enforcement cooperation.

115. The NCA also has informal cooperation with other authorities on a bilateral basis.

### 3.3. Expressing competition concerns related to existing or proposed regulations

116. According to section 9 of the Competition Act, the NCA shall supervise competition in the various markets, ia. by implementing measures to promote market transparency, and by calling attention to any restrictive effects on competition caused by public measures. In its advocacy role, the NCA especially focuses on regulations harming competition.

117. Anti-competitive regulations exist in a number of different areas. On the NCA's website, we have established a function allowing the general public to send tip-offs to the authority regarding restrictions perceived to restrict competition. An internal task force has been established to consider these tip-offs for further consideration and follow-up by the market departments. This function complements the existing possibility to submit tip-offs anonymously.

118. The NCA has over the years advocated for deregulation of the heavily regulated taxi market. From 2020, this market is now regulated in accordance with some of our advocacy advices, with proportionate requirements to enter the market. However, technological development has made the existing taximeters redundant, and existing taximeter regulations do pose a barrier to entry especially affecting innovative entry to the market. Adapting the regulations to the technological possibilities will support the purpose of the deregulation, enhance competition to the benefit of consumers, promote innovation and better capacity utilization. Consequently, the NCA has continued its advocacy work, stressing the importance of modernizing taximeter regulations.

119. The pharmacy market is another area of some concern. Well-functioning competition in the pharmacy market is important for a vulnerable consumer group. The framework conditions must facilitate this. The NCA has played an active role with consultation statements and articles on relevant issues in the market. As alluded to below, the Nordic competition authorities published a [joint report on online pharmacy](#), examining these markets from the Nordic perspective. In the report, it is argued that pharmacy regulation should be developed towards well-functioning online pharmacy markets which at the same time improve consumer welfare and guarantee consumer safety in purchasing medicines.

120. In September 2021, a Pharmacy Committee was appointed by the Government. The NCA is represented in the Committee. The Committee shall, among other things, determine how the pharmacy operations at physical pharmacies, online pharmacies and new pharmacy solutions should be regulated. The mandate emphasizes that the conditions for competition in this market must be part of the Committee's assessment.

121. Various issues related to the rental of electric scooters have sparked a debate in recent years. The municipalities have made various attempts to regulate the market. The NCA has been visible in the debate through op-eds and statements in the media. Through dialogue with the municipalities of Oslo, Bergen and Trondheim, the Authority has

provided input on how the municipalities can facilitate competition in the market while at the same time addressing legitimate concerns regarding eg. accessibility and the use of public ground. The NCA has also sent hearing statements in connection with the proposed regulations in the municipalities of Oslo and Bergen. In its hearing statements, the Authority has been positive to the proposal for a licensing scheme, but also clear that the dynamics in the market must be preserved in order to maintain incentives for innovation.

122. More generally, the NCA has been more active than ever in the advocacy area. In general, the NCA observe that our views receive a great deal of media attention. The authority continues to be active in media explaining the importance of solid enforcement of the competition law, and the direct effects of enforcement for consumers. Relating to op-eds, our employees published 16 op-eds on topical issues. In addition, the NCA has launched a series of podcast, with six podcast episodes produced in 2021, focusing on eg. fuel prices, competition policy, enforcement against digital giants, merger control and competition between pharmacies. Notably, media analytics and a survey document that we have become more visible in 2020. Our activities resulted in more than 4500 media news referring to the NCA.

123. As alluded to in more detail below, the NCA also mapped the use of algorithms – including whether companies use algorithms in their pricing – among Norwegian companies, and presented the findings in a report published early 2021.

124. By acting as a hearing body, the NCA ensures that the competition perspective is given due consideration when new policies are being adopted. The Authority prioritises cases where its influence is most likely to result in a positive outcome for competition. This has shown to be an effective use of resources. In 2021, the NCA submitted six hearing statements to various ministries and authorities, related to proposed changes in laws and regulations, concerning a range of topics. Examples include taximeter regulations, proposals relating to a government strategy for aviation, model for price regulations of generic pharmaceuticals and regulation of electric scooters.

125. An important part of our advocacy work is to raise awareness of the importance of competition as instrument for efficient use of scarce resources, more innovation, to influence the companies' competitive culture, and not least to work for changes in regulations that, among other things, facilitate more competition through lower entry barriers, new business models and stronger incentives to compete. In the coming period, the NCA's advocacy efforts directed towards businesses, will in particular focus on small and medium sized enterprises, where our surveys have documented a clear need to enhance knowledge relating to competition law.

#### 4. Resources of the competition authorities

126. In December 2021, Mrs. Tina Søreide was appointed by the Norwegian Government as the new Director General of the NCA. Tina Søreide has been appointed for a term of six years. Søreide has a background as a professor at the Department of Accounting, Auditing and Law at the Norwegian School of Economics (NHH), and has a unique expertise in the intersection between law and economics. She holds a PhD in Economics, and her academic work has particularly focused on corruption. She has held a three-year postdoctoral position at the Faculty of Law at the University of Bergen and has written a number of articles and books together with lawyers. Søreide has carried out work for several international organizations, including the OECD and the World Bank. She has been active in the public debate for a number of years, in particularly regarding corruption related issues.

127. She replaced the former Director General Lars Sjørgard February 1<sup>st</sup> 2022, when his six years term ended.

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

##### *4.1.1. Annual budget (in NOK and USD)*

128. The annual budget for the NCA for 2021 was NOK 123.419 million (USD 13.71 million).

##### *4.1.2. Number of employees (person-years)*

**129.** The NCA's personnel resources amounted in 2021 to 91.6 person-years, including administrative staff and PR-staff.

**130.** Number of employees (not person-years) as per 31 December 2021 amounted to 106 (including staff on temporary leave), including:

- 41 economists
- 37 lawyers
- 4 investigators
- 2 data scientists
- 22 other professionals and support staff (HR, IT and information management, PR/communications, finance, organization development)
- Human resources (person-years) applied to mergers, anti-cartel, dominance-related issues and advocacy

131. The NCA's case handling is primarily organized by sector. Thus, the case handlers are working in market departments with responsibilities towards specific markets. All case handlers work with all types of competition cases within the markets allocated to the department, with the exception of the groceries task force working in the Project Grocery. Here, the staff mainly focused on analysis and advocacy related to the groceries market. However, as of March 2022 the Project Grocery has been incorporated into the Market Monitoring Department of Food, Trade and Health.

132. Specialized legal and economic support and quality assurance is provided by the legal director's team and the chief economist's team, respectively.

133. The NCA also has an investigation staff with approximately five person-years dedicated to investigations in cartel and abuse of dominance cases, as well as international network activities. The staff also includes specialist knowledge in forensic IT. The investigation staff supports the market sections in cartel cases and other investigative measures.

134. In principle, all case handlers may be engaged in advocacy work. Notably, there is a close cooperation between the Department of Communications and PR and the other departments to maximize media attention related to outcome of cases and advocacy work more generally.

135. Competence building is an important priority, both for new and experienced employees, and on all levels. The NCA has succeeded in building a staff of highly qualified and experienced case handlers.

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

136. In February 2021, the NCA published [survey report](#) documenting how more and more companies in Norway use monitoring and pricing algorithms. Algorithms can be used to collect market data, such as price information, as well as to automatically adjust prices. The use of algorithms can make markets more transparent, which in turn makes it easier to predict how competitors will act in the market. This can result in reduced competitive pressure in the markets concerned. In the report, the Authority emphasises the importance of companies being aware that the use of algorithms may also cause harm to competition and lead to higher prices for consumers.

137. The Nordic competition authorities published a [joint report on online pharmacy](#), examining these markets from the Nordic perspective. The discussion in the report aims to form a coherent picture of the state of the online pharmacy markets in the Nordic countries. The report outlines some possible future developments and challenges of the markets which might need to be accounted for in the Nordic countries. It is argued that from the perspective of competition and consumer authorities, the online pharmacy regulation should be developed towards well-functioning online pharmacy markets which at the same time improve consumer welfare and guarantee consumer safety in purchasing medicines. Both consumer protection and competition law are central in this development. Moreover, it is important to ensure that regulation does not hamper innovation in a sector that is still developing in many countries. Growing online markets increase competition within an otherwise tightly regulated sector. In some countries, attention should be paid to lowering the entry barriers into the pharmacy market, for example by relaxing some regulation relating to the establishment of a pharmacy and allowing online-only pharmacies without any ties to a physical pharmacy. The report can serve as background material for decision makers when designing future reforms relating to these markets.

138. The Norwegian Competition Authority has since 2014 allocated annual research funding from the General Price Regulation Fund, up until the last allocations from this specific fund was made in 2020.

139. Nevertheless, during 2021 there was still activity in several ongoing projects, including projects on price negotiations and price discrimination as well as projects on market concentration and profitability. Several research projects were completed with good results throughout the year. An overview of projects and reports is available from our [website](#).

140. However, from 2022, the Norwegian Competition Authority will again allocate research funding. The NCA now receive a separate and annual amount for funding research related to competition law and economics from the Ministry of Trade, Industry and Fisheries. The purpose of the research funding is to strengthen research within the field of competition economics and competition law. Like before, educational and research institutions, enterprises and independent individuals can apply for funding. In March, up to NOK 5 million (USD 0.55 million) was announced for research projects in competition law and competition economics. The Authority will continue to implement various measures for the presentation of research results, including the publication of articles on websites, references in articles and posts, seminars etc.