

## ***Chapter 7***

### **International relations**

Having in view the globalization of world economy and the interdependence among undertakings the promotion of competition rules represents not only a national concern, but also an international one. Thus, the cooperation among the competition authorities from different countries, the national institutions, and the regional and international agencies is very important.

In order to benefit of international experience and to jointly analyze cases of common interest, the Competition Council has maintained and strengthened good cooperation relations with the competition and state aid authorities from European Union and its Member States, with the international organizations in these fields, and also developed and extended the cooperation relations with the competition authorities from other countries.

#### **7.1. Participation in the European integration process**

The preparations for Romania's accession to the European Union has intensified during 1999 when bilateral screening sessions took place. Following the screening sessions, the EU Commission worked out a report evaluating the latest progresses in that field. That report was published on October 13, 1999 and was one of the elements that helped the European Council of Helsinki in deciding on opening the negotiations with Romania and other candidate countries.

The bilateral screening session in the competition field took place on March 1999 and analyzed the comparative tables and other materials worked out by the Competition Council and Competition Office. The discussions emphasized the stage of adopting and transposing competition and state aid legislation, and made a realistic estimation of the schedule of taking over the *acquis communautaire*.

The European Commission stressed that the Romanian competition legislation was harmonized with the community competition legislation, Romania being one of the most advanced countries in that process. Commission's Report also underlined the necessity to continue the accession process both by taking over and transposing the *acquis* in the competition and state aid field, and by strengthening the administrative capacity.

The stage of legislative harmonization, the conclusions of bilateral screening sessions, the short and medium-term priorities of the Competition Council and Competition Office were included within their work paper which was a part of the National Program for Romania's Accession to the European Union. The work paper clearly reflects the commitment of the competition authorities in strengthening and improving the

administrative capacity, in effectively enforcing the competition and state aid policy, in adopting and completing the secondary legislation following the Community legislative developments, in promoting competition and state aid rules and disseminating the legislation in force.

The Competition Council has considered the Commission's reports as effective working instruments for identifying the measures included within the National Program for Romania's Accession to the European Union and for fulfilling the priorities within the Accession Partnership regarding the competition and state aid policies.

The Competition Council took part in all meetings organized by the Department of European Integration for preparing the accession, in the sessions of Inter-ministerial Committee for European Integration (March, July, October 1999), and also in the fifth Meeting of the Association Committee that took place on September 1999 in Bucharest.

## **7.2. Relations with competition authorities from other countries and various international bodies**

### **7.2.1. Relations with the European Union**

The Competition Council strengthened the cooperation relations with the European Commission, in particular with DG Competition, both for harmonizing the Romanian legislation with the Community legislation and for effectively enforcing the competition and state aid policy. Experts of the Competition Council participated in meetings organized in various fields in order to support Romania and other Central and Eastern European countries in the integration process:

- The fifth Annual Conference on Competition Issues with the participation of the representatives of the European Commission and Central and Eastern European countries, Cyprus, Malta, which took place in Krakow, Poland;
- The Multilateral Meeting for drawing out the Agreement establishing the European Common Aviation Area, which took place in Brussels.

The meetings with top level representatives of the European Commission (DG Competition and DG I A – External Relations) that took place at the Competition Council headquarters, approached various issues as: the preparation of the screening session and its further evaluation, and the presentation of the 1999 Draft Phare Program worked out by the Competition Council. Also, after receiving the position paper on the privatization of the company Dacia which was presented by the Competition Council within the 5-th meeting of the Association Committee Romania –EU, the experts from DG – Competition, section II - State Aid, participated in the discussions for clarifying that situation and were also invited to the “Automobile Dacia” headquarters.

### **7.2.2. Workings within international organizations**

In 1999, the World Trade Organization relayed a questionnaire to Romania for periodically examining the Romanian trade policy. The Competition Council was one of the public bodies that participated in that process. The questionnaire referred to various aspects as: the enforcement of Romanian competition policy with emphasize on the examination procedure of economic concentration, the most interesting cases, the fining procedures, the alteration of the fee amount provided for in the Competition Law. In order to finalize the report on Romania situation, experts of the Competition Council and the WTO Secretariat analyzed the questionnaire within a clarification meeting that took place in Bucharest. The final version of the questionnaire observed the new criteria set through the Examination Mechanism of Trade Policy in Marrakech meeting and was included within the Report of Romanian Government. It also took into account the information relayed by all bodies involved in drafting and enforcing the Romanian trade policy.

A representative of the Competition Council within the Romanian delegation participated in the WTO Meeting that was organized for analyzing the way in which Romania accomplished the assumed commitments.

The interaction between trade and competition policy within the world globalization was one of the topics on the agenda of the meetings organized by the World Trade Organization, UNCTAD and the World Bank in Geneva.

The Competition Council delegation participated in:

- Meetings of the WTO Working Group on the Interaction Between Trade and Competition Policy;
- The 2nd Session of UNCTAD Intergovernmental Expert Group on Competition Law and Policy;
- Pre- UNCTAD X Seminar on the Role of Competition Policy on the International Markets within the World Globalization;
- The 3rd WTO Symposium on Competition Policy and Multilateral Trade System;
- WTO, UNCTAD and World Bank Seminar on Competition Policy and Multilateral Trade System: a dialogue with the civil society.

### **7.2.3. Bilateral relations**

In 1999, the Competition Council concluded and renewed the co-operation agreements with similar authorities from Georgia, Bulgaria, respectively, and continues the cooperation with the competition authorities from Russian Federation, Czech Republic and Belarus.

Based on the mentioned agreements, exchange of experience took place between experts from Romanian Competition Council and Ministry for Antimonopoly Policy and Support of Entrepreneurship from Russian Federation and the Antimonopoly Office from

Georgia. Within a visit to the Hungarian Competition Office in Budapest, the Council representatives decided to establish and extend the cooperation relations with the Hungarian authority.

The experts from the Competition Council participated in the seminars on competition policy organized by the partner countries:

- Forum on New Trends of the Competition Law and its Implications for Business Communities in Central and Eastern Europe countries, organized in Brno (Czech Republic);
- Seminar on mergers, organized in Sofia (Bulgaria).

Also, experts from the Russian Federation and Bulgaria took part in the seminars on competition issues which were organized by the Competition Council with the USAID assistance.

#### **7.2.4. International meetings**

In order to be permanently connected to the world economy dynamics, the Competition Council representatives participated in international meetings which approached various topics regarding the economic development with emphasis on competition and state aid policy:

- Meeting of the Expert Group from CEFTA Member States on state aid issues, Ljubljana;
- Conference “ Privatization in Europe – Same Problems, Different Approaches”, organized by Forum Europe in Milano;
- International Conference on Competition Issues, organized by Bundeskartellamt in Berlin;
- International Meeting on Competition Policy organized by OECD ;
- Conference on the Economic Reform and Competition Law, organized by Hungarian Sociological Association in Budapest;
- Conference “Law and Practice of Community State Aid Rules”, organized by Academy of European Law Trier.

#### **7.3. Professional training with foreign assistance**

- In 1999 the Competition Council continued to benefit of the technical assistance program granted by the US Government through the United States Agency for International Development. Within the assistance program, the US Federal Trade Commission appointed a long-term adviser in order to assist the Council experts in investigating and analyzing cases and also in decision making process.

The experts from the Competition Council and Competition Office took part in seminars organized with the participation of experts from the US Federal Trade Commission and US Department of Justice – Antitrust Division. Those seminars dealt with competition

issues such as: the abuse of dominant position, the agreements between undertakings, the concerted practices, the judicial and economic aspects regarding the professional and commercial associations, the economic concentrations, and, in particular, the investigation techniques.

- The Competition Council also received assistance granted by the EU Commission through the Technical Assistance and Information Exchange Office (TAIEX). The assistance materialized in one week study visits to the European Commission, DG – Competition (November, December 1999). Those study visits dealt with competition and state aid issues encountered within the European Union and CEE countries.
- Within the Multilateral Assistance Program granted by OECD to the Central and Eastern Europe countries, the Competition Council’s experts participated in a seminar on competition issues in Vienna.

According to the European Agreement EU – Romania, the Competition Council involved itself from the very beginning in the accession process to the European Union, the legislative harmonization, the institutional building, the effective enforcement of the competition policy and the professional training which was the most important aspect of the drafted programs.

- In 1999, the Competition Council’s experts participated in training sessions on Community issues organized by the Department of European Integration with foreign assistance:
  - Seminar “Pre-accession procedures to the European Union” organized in collaboration with the European Institute for Public Administration of Luxembourg;
  - Seminar on European Business, organized in collaboration with the National Administration School of France.
- In order to improve the training of its experts, the Competition Council took the opportunity to take part in seminars within the technical assistance programs granted to Romania by the institutions of the EU Member States. To this end, it must be mentioned that, in 1999, the Competition Council and Competition Office in collaboration with Ministry of Foreign Affairs of Denmark organized the Seminar “The Community legislation in the competition and state aid field”.
- In order to improve the skills in working out collaboration and assistance projects an expert from the Competition Council participated in a training session on “The Management of Technical Cooperation Projects” organized by the International Labor Organization –International Training Center in Torino.
- The Competition Council and the Competition Office worked out the project “Strengthening the administrative capacity to manage the acquis in the field of competition and state aid” within 1999 Phare Program .

The project has a budget of EURO 2 billion, will develop within a 2-year period and will have two components:

- technical assistance – envisaging the professional training of Romanian experts by organizing study visits and exchange of experience to the competition authorities of Member States and seminars in Romania with the participation of Community experts;
- twinning assistance - The Competition Council will benefit of technical assistance granted by an EU expert for enforcing the state aid legislation.