

Market Studies and Regulatory Reform

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Result of Market Studies

<u>Environment</u>	<u>Market Study</u>	<u>Result</u>
Favourable:	Merger rules Water distribution Pilotage Sand pumping Real Estate Agents Train services	Bill expected primo 2010 Law 2009 + new authority to be established Law 2006 – Partly Liberalised Bill 2006 not passed. New bill 2009. Laws 2005 + 2006 Committee in work
Open minded:	Postal sector Retail market for electricity	Ministry committee prepares legislative process Dialog with stakeholders
Unwilling:	Taxies Investment funds Health professions Pharmacies	Bill 2009 + working to establish committee Future will show Future will show Future will show

Sectorial Market Studies - Regulatory Reforms

- Pilotage (2003)
- Real Estate Agents (2004)
- Sand pumping (2005)
- Financial services and investment funds (2006)
- Health Professions (2006)
- Television (2006)
- Water (2003)
- Merger regulation (2007)
- Postal sector (2007)
- Taxi industry (2008)
- Retail market for electricity (2008)
- Pharmacies (2009)

Showcase: Taxi Industry

1. Information gathered

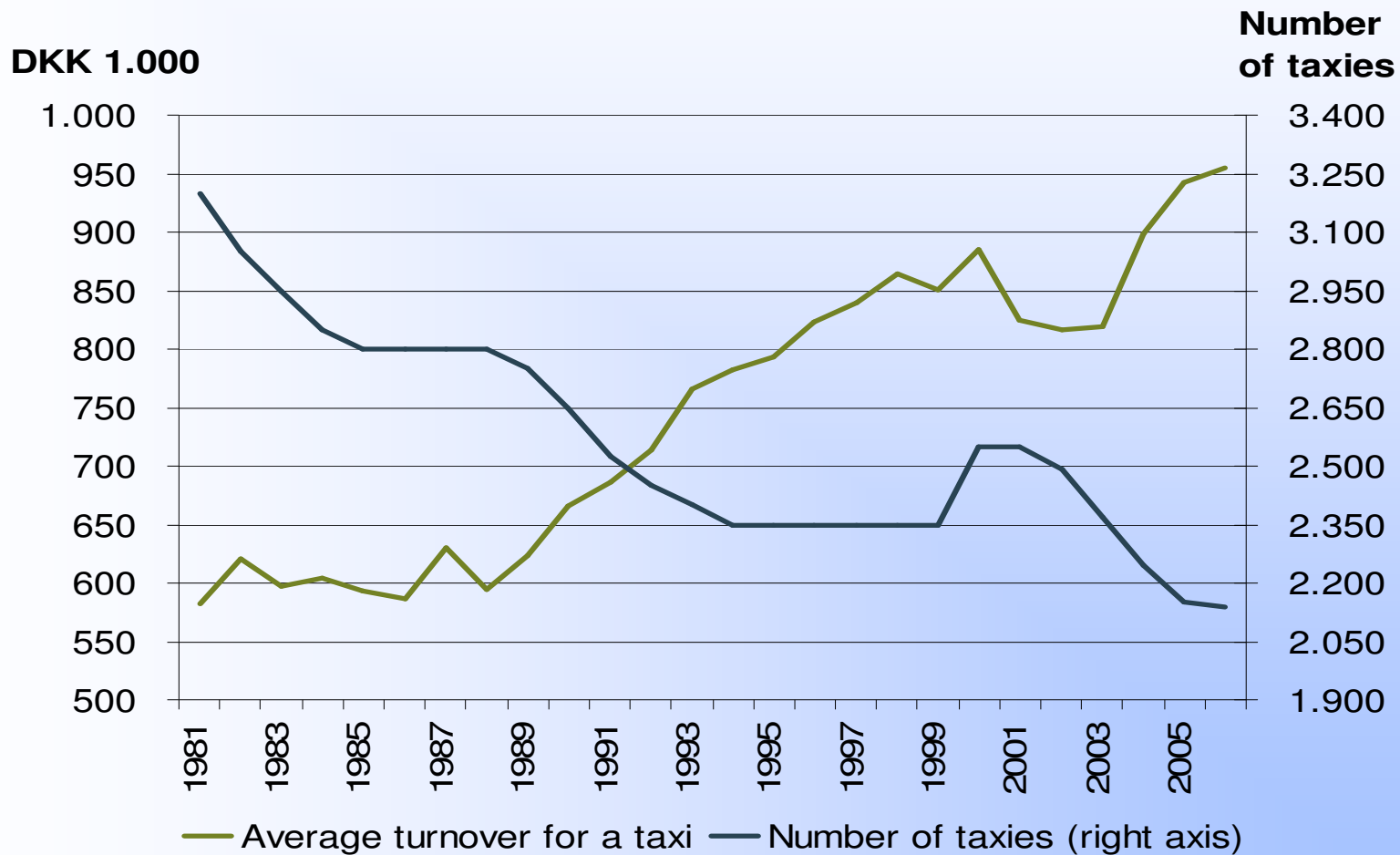
- Statistics concerning the taxi industry
- Consumer surveys by external consultants
- Experiences with regulation from other countries - in particular Sweden and the Netherlands
- Own survey of decisions by municipal councils (as they determine number of licences, prices etc.)

Showcase: Taxi Industry

2. Key conclusions

- a) The taxi industry is (heavily) subsidized.
- b) The regulation encourage the cab owners to buy expensive cars instead of smaller environment-friendly cars.
- c) The regulation is anti-competitive:
 - Limitations on the number of licences granted
 - The licences are geographically limited
 - Maximum fares \approx fixed prices
 - Higher rise in taxi prices than in consumer prices for services
 - Weak competition concerning large customers
 - The municipals are counselled by the taxi industry concerning the number of licences/taxies and the maximum fares

Number of taxis and average turnover in Greater Copenhagen, 1981-2006



Showcase: Taxi Industry

3. Was the study successful?

- Ministry was unwilling, however market study created dialog:
 - Amended taxation (higher taxation on expensive cars), cf. point 2a, Bill 2009
 - Taxies must be cars of energy class C or better, cf. point 2b, Law 2009
 - Working to set up committee to solve the problems mentioned in point 2c.

Lessons to be learned

1. Predict stakeholders views at an early stage
 - Will they shoot at everything?
 - Will they lobby politicians?
2. Initiate early and continuous contacts with responsible Ministry
 - Avoid public conflict
3. Tell the good story – make alliances
 - Focus on the problem not the solution
 - Let the Ministry take the praise for the solution
4. Timing
 - Be patient
 - Keep up the pressure
 - Luck