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RATING ENFORCEMENT

THE ANNUAL RANKING OF THE WORLD'S LEADING COMPETITION AUTHORITIES

AGENCY	STAR RATING
Elite	
France’s Competition Authority	★★★★★
Germany’s Federal Cartel Office	★★★★★
US Department of Justice’s antitrust division	★★★★★
US Federal Trade Commission	★★★★★
Very good	
European Commission’s Directorate General for Competition	★★★★
Japan’s Fair Trade Commission	★★★★
Korea’s Fair Trade Commission	★★★★
Australia’s Competition and Consumer Commission	★★★★
Brazil’s Administrative Council for Economic Defence	★★★★
Spain’s National Competition Commission	★★★★
UK’s Competition and Markets Authority	★★★★
Good	
Canada’s Competition Bureau	★★★
Greece’s Competition Commission	★★★
Italy’s Competition Authority	★★★
The Netherlands’ Authority for Consumers and Markets	★★★
Norway’s Competition Authority	★★★
Austria’s Federal Competition Authority	★★★
Chile’s National Economic Prosecutor’s Office	★★★
Finland’s Competition and Consumer Authority	★★★
Hungary’s Competition Authority	★★★
Israel’s Antitrust Authority	★★★
Latvia’s Competition Council	★★★
Lithuania’s Competition Authority	★★★
New Zealand’s Commerce Commission	★★★
Mexico’s Federal Economic Competition Commission	★★★
Poland’s Office of Competition and Consumer Protection	★★★
Portugal’s Competition Authority	★★★
Russia’s Federal Antimonopoly Service	★★★
South Africa’s Competition Commission	★★★
Sweden’s Competition Authority	★★★
Switzerland’s Competition Commission	★★★
Turkey’s Competition Authority	★★★
Fair	
Belgium’s Competition Authority	★★
The Czech Republic’s Office for the Protection of Competition	★★
Denmark’s Competition and Consumer Authority	★★
Ireland’s Competition and Consumer Protection Commission	★★

Welcome to the 15th edition of Rating Enforcement, Global Competition Review's annual survey of the world's leading competition authorities.

Once again, we have quizzed antitrust authorities around the world on both quantitative and qualitative measures of their enforcement programmes over the past year to gauge exactly how capably and efficiently they are policing their economies for anti-competitive activity. We ask for hard-and-fast numbers, such as budgets, staff size, cases opened and closed and so on. We also solicit descriptions of an authority's record of bringing precedential cases, advocating for better laws and consumer safeguards, and generally increasing the awareness of competition enforcement at home and abroad. We hope that, combined, the responses allow for a clear understanding of an authority's work and effectiveness.

It will come as no surprise to most *GCR* readers that the bigger a government's competition budget, the better the enforcement agency it gets. Looking at our star rankings table there is, as always, a broad correlation between the size of an agency, its budget and the star rating it receives. By and large, the agencies with the most money bring the biggest cases, get the best results and have the most influence on competition enforcement worldwide.

We convert every budget to the euro, and imperfections in that process notwithstanding, it's clear that money buys success in the world of competition enforcement. Of course, those are generalisations. There are enforcers who "punch above their weight", as the old saying goes, doing more with less cash and fewer resources. This year we noted several enforcers who brought impressive cases and successful advocacy campaigns with modest means, including agencies in Chile and our newest entrant, Latvia. There are also agencies that are well funded but less active than some of their global peers.

Our elite, five-star bracket saw one fewer member this year, after the European Commission, typically a stalwart member of our elite ranks, stumbled in the final year under former commissioner Joaquín Almunia. Under Almunia's watch, the commission waffled on whether to settle with Google and Gazprom – two of the agency's most important cases – and otherwise saw its enforcement record and reputation suffer.

Meanwhile, the other five-star agencies – the US Federal Trade Commission and Department of Justice, France's Competition Authority and Germany's Federal Cartel Office – all maintained outstanding records in 2014 and deserve their top rankings once again.

The US agencies again had an outstanding year, bringing the kind of bold and successful cases expected of enforcers in the world's largest economy. Both agencies celebrated impressive court victories in 2014, and observers expect their winning streaks to continue. Germany and France continued their reign as Europe's most active and formidable member state enforcers, with serious case dockets and enforcement actions between them, while the new UK agency, the Competition and Markets Authority, steps into our rankings with a solid four-star ranking and high expectations.

This year also saw some long-beleaguered enforcers rise in our rankings. After years spent distracted by the extensive advocacy efforts required due to financial turmoil in the country, Greece's Competition Commission returned to casework in 2014, delivering solid results. Lithuania saw a long-awaited – and perhaps overdue – rise in its ranking after securing record fines and bringing bold cases. And Chile impressed with its mix of effective advocacy and eye-catching enforcement actions.

On the other end of the scale, Ireland dropped in our rankings after not bringing a case to conclusion for the second year running, and seeing its core competition staff gutted after the country merged its competition and consumer protection agencies. Ireland is now the world's smallest enforcer, and one of its least active. Dark days for what was once a bright spot in the European competition landscape.

Research

Each year, *GCR* sends a detailed questionnaire to the competition authorities canvassing all aspects of enforcement. The data covers everything from the size of the authority to the average age and tenure of the staff, as well as the methodology for setting priorities and ensuring transparency, stability and procedural fairness. We also ask for information about the number of merger filings an agency has received and how it has handled those deals, as well as obtaining a detailed breakdown of cartel and abuse of dominance work. These statistics help to paint a picture of the authority as we begin to assess the results of its work. We also ask the head of each agency to submit their own assessment of their agency's performance.

Next, we seek feedback from the people who know the authority best: antitrust lawyers and economists, in-house counsel, academics and local journalists who routinely cover the agency's work. Local competition counsel were asked to fill out an online survey airing their views on the authority's performance in each of its enforcement duties, as well as the level of professionalism and independence at the agency. Those responses were supplemented by interviews – conducted in person and over the phone – with leading international competition practitioners.

Add to that the information gathered by Global Competition Review during the course of the year. We publish more than 1,500 news stories annually through our daily briefings covering antitrust events around the world, from the birth of a new enforcer in the UK, to a new and interesting agency head at the European Commission. The breadth and depth of our news coverage provides an unparalleled resource for determining the strengths and weaknesses of the agencies we review.

Global Competition Review also conducts monthly surveys of the competition landscape in different jurisdictions, meeting with prominent figures in the local antitrust bar and interviewing the head of the national competition agency. Since the last edition of *Rating Enforcement*, we have visited or surveyed Brussels, Turkey, South Africa, the Netherlands, France, Singapore, Hungary, Brazil, Japan, China, Canada, Ireland, Israel, Italy, the Czech Republic and, in the US, California, Illinois, Pennsylvania and Washington, DC.

We also attend every major competition conference, including the International Competition Network meeting, as well as hosting our own conferences in Europe, the US and Asia.

Reading the results

We begin our analysis by rating each authority on a scale of one to five. The results show how each authority compares to its international counterparts. Though no authority is perfect, we believe those that earned five stars to be at the forefront of antitrust enforcement worldwide. Similarly, a low ranking doesn't indicate that an authority is failing or ineffectual – quite the opposite. Appearing in the survey at all is an indication that the authority is a meaningful enforcer.

But it is impossible to compare all authorities on an absolute scale. Each agency has different responsibilities and vastly differing resources at its disposal. The combined budget of the two US antitrust agencies, for example, is more than double the combined budgets of the 20 most poorly funded authorities.

Although the survey we give agencies is a one-size-fits-all template, we understand that the performance of each agency is pegged to its budget, resources and the competition culture in each country. As such, in our write-up of each agency, we also include a performance indicator in addition to our star ranking. If an agency is thought to make excellent use of its resources and has surpassed its previous accomplishments, this is indicated with an "up" arrow. Horizontal arrows show that an authority performed as expected, while a "down" arrow reflects a disappointing year.

Our analysis of the quantitative data collected this year includes comparative tables, which show how the authorities measure up in terms of size, budget, staff retention, mergers challenged, fines imposed and the length of investigations. We also include information on other influential factors such as a country's population or its gross national product, to place the raw data in a more useful context. All monetary statistics are presented in euros for comparative purposes.

The remainder of the report consists of individual statistical analyses of each country's performance in 2014, supplemented by a commentary.

Where we present staffing statistics, we are referring to the number of non-administrative, competition-focused employees, unless otherwise stated. Also, where we break down the number of staff departures into those who retired and who remained in the civil service, our percentages are a proportion of the staff departure figures, rather than the entire organisation.

Furthermore, where we provide figures for dawn raids and for cartel decisions, we are referring to the number of separate matters, not the number of companies involved.

In our continuing effort to improve *Rating Enforcement*, we asked authorities this year for more detailed information about their advocacy efforts, in hopes of providing a more balanced approach to our rankings. Preaching the gospel of competition law to businesses, the bar and government can be just as important – and often intimately related to – the amount and quality of cases an enforcer is able to bring.

ANALYSIS

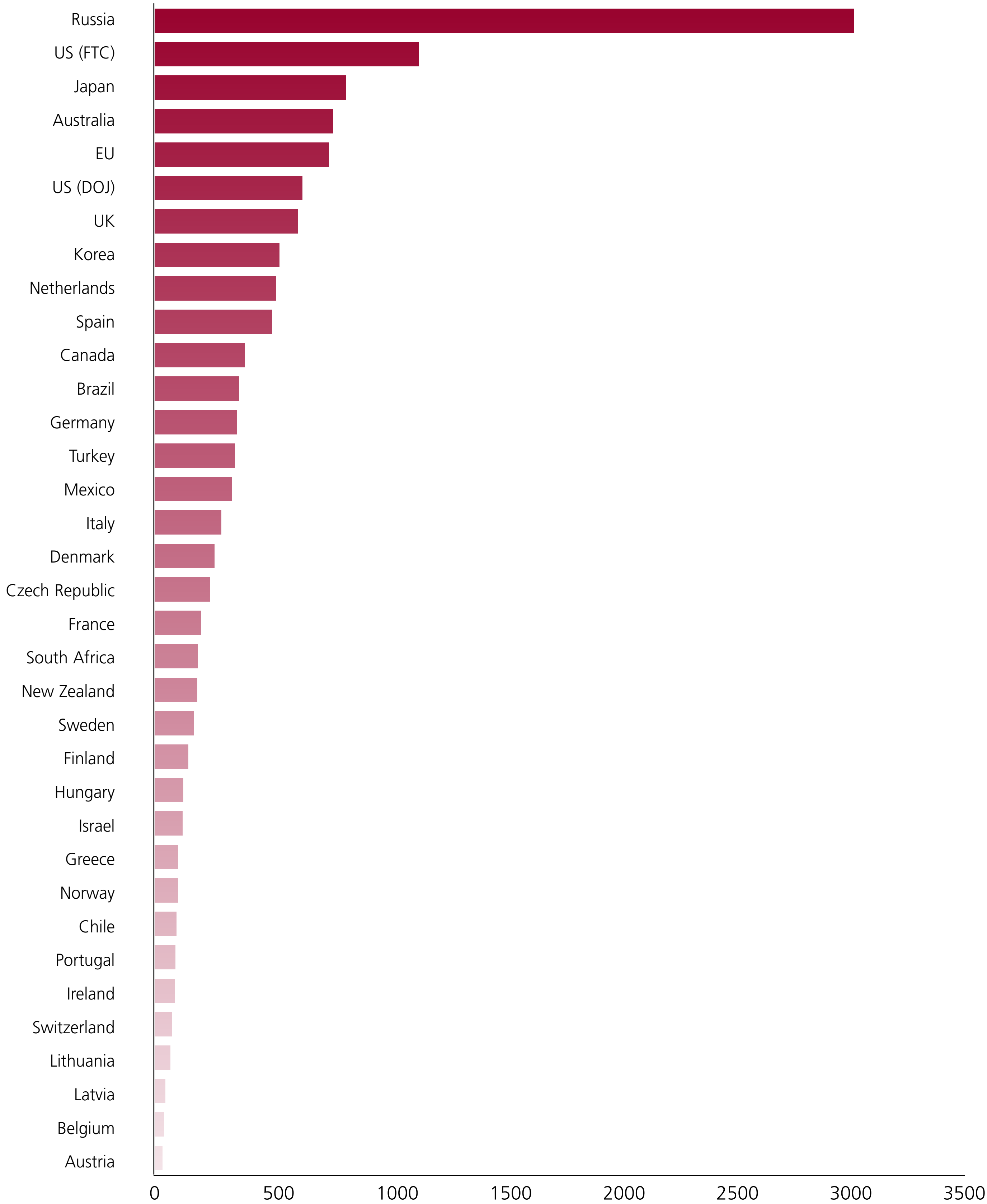
TABLE 1: SIZE BY NUMBER OF STAFF

Authority	No. of Staff
Russia	3,038
US (FTC)	1,146
Japan	830
Australia	774
EU	757
US (DOJ)	641
UK	620
Korea	541
Netherlands	527
Spain	509
Canada	390
Brazil	366
Germany	355
Turkey	348
Mexico	335
Italy	288
Denmark	259
Czech Republic	239
France	201
South Africa	188
New Zealand	184
Sweden	170
Finland	145
Hungary	123
Israel	121
Greece	100
Norway	100
Chile	94
Portugal	89
Ireland	86
Switzerland	75
Lithuania	68
Latvia	45
Belgium	39
Austria	33

It stands as common sense at this point, after more than a decade of *Rating Enforcement* editions under our belts, but the annual truth remains: the largest competition authorities in the world are also among the best. The expansive staff numbers for the agencies at the top of our table reflects the kind of resources needed to police some of the world's largest and most highly developed economies – economies that produce the largest companies, the most significant mergers and often the most complex and potentially anti-competitive conduct. Russia is an annual outlier, with its expansive borders and dozens of regional offices, but otherwise, the US agencies, Japan, the EU and Korea are consistently thought of as some of the world's best enforcers, due in part to the reciprocal relationship between the resources they are provided and the economies they are asked to oversee.

It's important to note that due to a wave of agency consolidation over the past several years, some of these overall staff size numbers can be misleading. In countries around the world, governments keen to cut costs and streamline enforcement merged their antitrust authorities with a host of other, similar agencies, including those that focus on consumer protection and sector regulation. Agencies have reported drastic leaps in overall staff size, including, the UK, which is now firmly in our top 10 with more than 620 employees after the creation of the Competition and Markets Authority last year. This follows similar leaps in the Netherlands and Spain after mergers in those jurisdictions.

A few agencies stand out for punching well above their weight. Chile is a fine example. As potentially the second-best enforcer anywhere south of Texas, the FNE does a fine job policing the country's economy and taking on international cases with an overall staff of less than 100. And Latvia, our newest entrant, put together a remarkable enforcement record with only 45 workers to complete its competition mission.



SIZE BY NUMBER OF STAFF

TABLE 2: PROPORTION OF COMPETITION STAFF

Authority	No. of competition enforcement staff	No. of staff	Per cent
Austria	33	33	100
Belgium	39	39	100
Chile	94	94	100
EU	757	757	100
Latvia	45	45	100
Mexico	335	335	100
Norway	100	100	100
Switzerland	75	75	100
US (DOJ)	641	641	100
Japan	775	830	93
Korea	479	541	89
France	177	201	88
Portugal	69	89	78
Sweden	130	170	76
Hungary	90	123	73
Greece	71	100	71
Russia	2,145	3038	70
South Africa	131	188	70
Germany	242	355	68
Lithuania	46	68	68
Canada	259	390	66
Israel	103	121	60
New Zealand	96	184	52
US (FTC)	538	1,146	47
Australia	342	774	44
Finland	63	145	43
Italy	120	288	42
Turkey	145	348	42
Brazil	149	366	41
UK	246	620	40
Netherlands	181	527	34
Denmark	86	259	33
Spain	163	509	32
Czech Republic	60	239	25
Ireland	20	86	23

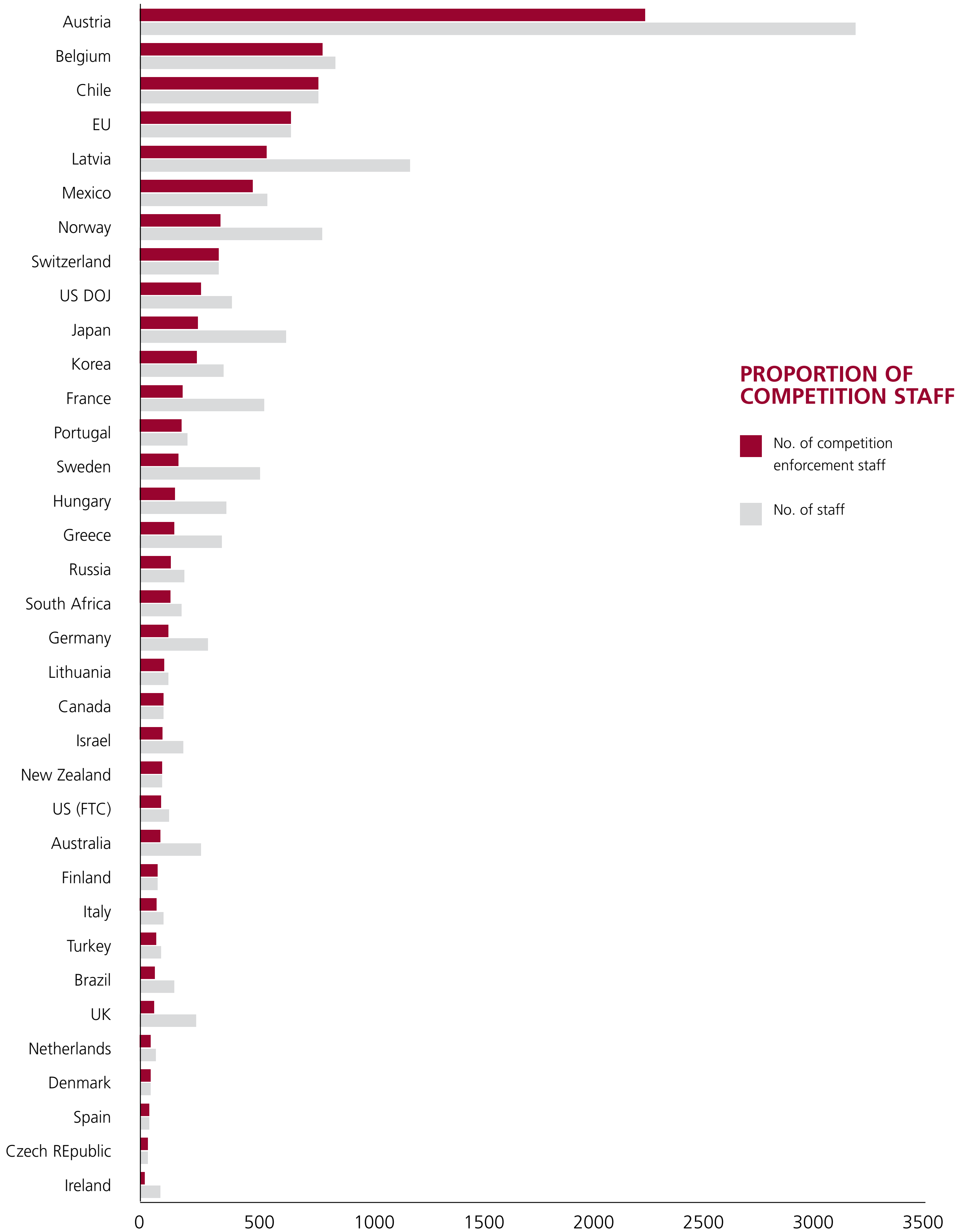

PROPORTION OF COMPETITION STAFF
No. of competition enforcement staff
No. of staff
Austria
Belgium
Chile
EU
Latvia
Mexico
Norway
Switzerland
US DOJ
Japan
Korea
France
Portugal
Sweden
Hungary
Greece
Russia
South Africa
Germany
Lithuania
Canada
Israel
New Zealand
US (FTC)
Australia
Finland
Italy
Turkey
Brazil
UK
Netherlands
Denmark
Spain
Czech REpublic
Ireland
0
500
1000
1500
2000
2500
3000
3500

TABLE 3: NUMBER OF COMPETITION STAFF GAINED

Authority	Competition Staff 2014	Competition Staff 2013	No. gained
US (FTC)	538	340	198
Mexico	335	254	81
Canada	259	199	60
US (DOJ)	641	611	30
EU	757	728	29
Korea	479	452	27
Israel	103	83	20
Sweden	130	114	16
Denmark	86	71	15
Czech Republic	60	47	13
New Zealand	96	85	11
France	177	170	7
Japan	775	768	7
South Africa	131	124	7
Germany	242	237	5
Italy	120	115	5
Austria	33	30	3
Spain	163	162	1
Lithuania	46	45	1
Finland	63	63	0
Greece	71	72	-1
Belgium	39	41	-2
Portugal	69	71	-2
Chile	94	97	-3
Norway	100	105	-5
Netherlands	181	189	-8
Switzerland	75	85	-10
Hungary	90	102	-12
Brazil	149	168	-19
Turkey	145	171	-26
Ireland	20	47	-27
Russia	2,145	2,204	-59
Australia	342	495	-153

Massive fluctuations in staff are a rarity at competition enforcers; typically any changes in the overall size of competition enforcement staff is on the margins, rather than something that cuts to the heart of what an agency does. All of that depends, of course, on the plethora of surrounding circumstances that can affect the work of an agency, and the overall size of the agency to begin with.

Take Russia, as a relatively extreme example. The FAS lost 59 employees year-on-year, according to statistics to provided to GCR in 2013 and last year. That marks a relatively stable year at the FAS, which consistently boasts more than 2,000 employees across its multitude of regional offices. Ireland, on the other hand, lost 27 core competition enforcement staff last year, after its long-awaited merger with the country's consumer protection agency. That loss slashed the agency's staff by more than half, from 47 enforcement employees last year to just 20 in 2014. It's a devastating result that left Ireland as the smallest competition enforcer in the world.

Elsewhere, growth in the EU, Korea and the DOJ bode well for those enforcers – particularly the DOJ, where a hiring freeze at the antitrust division finally thawed and allowed the enforcer to fill vacancies, hire a new batch of young attorneys and launch a new criminal division at Main Justice in Washington. The outliers in our table – Australia, with more than 150 fewer employees year-on-year, and the US Federal Trade Commission with a spike of almost 200 new competition officials – appear to come down to a difference in how the agency classified its employees from 2013 to 2014, rather than any hiring spree or slew of pink slips.

TABLE 4: PROPORTION OF COMPETITION ENFORCERS

Authority	No. of non-admin staff	No. of competition enforcement staff	Per cent
Israel	103	103	100%
Turkey	145	145	100%
Denmark	84	86	98%
Japan	748	775	97%
Czech Republic	57	60	95%
Ireland	19	20	95%
Finland	59	63	94%
Hungary	84	90	93%
Lithuania	43	46	93%
Australia	318	342	93%
Sweden	118	130	91%
Greece	64	71	90%
South Africa	115	131	88%
Belgium	34	39	87%
Korea	412	479	86%
Portugal	61	71	86%
Netherlands	155	181	86%
UK	204	246	83%
Russia	1,777	2,145	83%
Switzerland	61	75	81%
Canada	210	259	81%
New Zealand	77	96	80%
Italy	96	120	80%
France	141	177	80%
Chile	73	94	78%
US (DOJ)	495	641	77%
Austria	24	33	73%
Norway	72	100	72%
Mexico	228	335	68%
Latvia	29	45	64%
Brazil	96	149	64%
Spain	105	163	64%
Germany	154	242	64%
EU	473	757	62%
US (FTC)	311	538	58%

Keeping agencies lean, with more enforcers and fewer administrative staff clogging up the budget, is generally viewed as a good thing. But that's not the story our table tells. Sitting at the bottom of the list are some of the top antitrust enforcers on the planet, including the FTC, the European Commission, Germany, Spain and Brazil. It stands to reason that in these places, where casework is heavy and complex, the additional administrative staff is both needed and useful in managing files and generally making the trains run on time. Japan is the outlier here; the JFTC is a world-class agency with an enforcement staff of 775, yet employs only 27 administrative employees.

TABLE 5: PROPORTION OF FEMALE STAFF

Authority	Per cent female staff	Per cent male staff
Greece	75	25
Lithuania	74	26
Latvia	72	28
Russia	65	35
Portugal	59	41
Italy	58	42
Sweden	58	42
Australia	57	43
Hungary	57	43
Spain	57	43
Finland	53	47
Norway	53	47
Denmark	52	48
France	52	48
Brazil	49	51
South Africa	49	51
UK	49	51
Belgium	47	53
Czech Republic	47	53
Germany	47	53
Canada	46	54
Austria	45	55
EU	45	55
Mexico	45	55
Poland	45	55
US (DOJ)	45	55
Israel	44	56
US (FTC)	42	58
Chile	41	59
Netherlands	41	59
New Zealand	40	60
Turkey	39	61
Switzerland	38	62
India	31	69
Korea	29	71
Japan	20	80

TABLE 6: AVERAGE AGE OF COMPETITION ENFORCERS

Authority	Average age of non-admin staff
Korea	44
Germany	43
Italy	43
Portugal	43
Spain	43
Belgium	42
New Zealand	42
US (FTC)	42
Canada	41
EU	41
Japan	41
Netherlands	41
Finland	40
Sweden	40
Austria	39
France	39
Greece	39
UK	39
Denmark	38
Poland	38
Australia	37
Hungary	37
Norway	37
Switzerland	37
Mexico	36
Chile	35
Czech Republic	35
Latvia	35
Lithuania	34
Brazil	33
Israel	33
Russia	33
Turkey	33
South Africa	32

TABLE 7: AVERAGE TENURE OF ENFORCERS' STAFF

Authority	Average tenure of non-admin staff (years)
Korea	25
Japan	18
Germany	11
Italy	11
US (FTC)	11
Belgium	10
Finland	9
Poland	9
Turkey	9
EU	8
Netherlands	8
New Zealand	8
Australia	7
Denmark	7
Hungary	7
Portugal	7
Switzerland	7
UK	7
Greece	6
Latvia	6
Lithuania	6
Norway	6
Sweden	6
Chile	5
Czech Republic	5
Spain	5
France	4
Israel	4
South Africa	4
Brazil	3
Mexico	2

When assessing competition authorities, practitioners often comment on the professional experience of staff leading merger reviews and conduct investigations. High praise is routinely given for those particular departments at the authority where senior employees are running cases efficiently and effectively, both communicating with opposing counsel on a timely and regular basis and guiding newer staff through the authority's processes.

Unsurprisingly, there is a clear correlation between the average age and tenure of an enforcer's staff – the older its employees are, the more likely they have been working at the enforcer for a longer period of time. Again, Korea, Japan, Germany and Italy are atop both the age and tenure tables, although Korea's Fair Trade Commission far outpaces all of its counterparts in terms of tenure at 25 years. Spain, however, proves to be an outlier in this sense – the average age of its employees is 43 years, but most have only five years of experience at the authority.

Lithuania and Brazil's enforcers reported a notable decrease in the average tenure of their staff, whereas employees at competition authorities in Belgium, Poland and Finland held steady at nearly a decade of experience. The US FTC sits at the upper end of the tenure table as well, joined by Turkey – despite the Turkish Competition Authority celebrating only its 20th anniversary in 2015.

Overall, the majority of enforcers surveyed had average tenures of seven years or less. Commentators from jurisdictions with lower staff tenures said "inexperience makes cooperation with the authority more difficult" and sometimes "frustrating," whereas enforcers boasting greater staff continuity received positive reviews for having "built trust with attorneys in the private bar."

TABLE 8: PROPORTION OF ENFORCERS' STAFF WITH MORE THAN FIVE YEARS' EXPERIENCE IN THE PRIVATE SECTOR

Authority	No. of staff with more than 5 years in private sector	No. of non-admin staff	Per cent of non-admin staff with more than 5 years' private sector experience
Portugal	31	61	51
Latvia	14	29	48
Italy	38	96	40
Hungary	25	84	30
France	35	141	25
Greece	14	64	22
Belgium	7	34	21
Netherlands	33	155	21
Russia	331	1,777	19
Sweden	21	118	18
Norway	12	72	17
Finland	7	59	12
India	8	81	10
Denmark	6	84	7
Brazil	5	96	5
Chile	4	73	5
Lithuania	2	43	5
Austria	1	24	4
Spain	4	105	4
Germany	5	154	3
Korea	14	412	3
Japan	14	748	2
Poland	3	131	2
Israel	1	103	>1

In addition to staff experience at the authority, private sector exposure and "real-world experience" is equally valued by practitioners who interact with enforcers on a daily basis. Only having career civil servants means an agency may lack a business perspective or overlook the fiscal consequences of blocking a transaction.

Not every authority surveyed by *GCR* reported the proportion of staff with more than five years of experience in the private sector. However, for those that did, there are noteworthy changes from last year's *Rating Enforcement*: after a drastic drop from 94 per cent to 22 per cent of staff, Greece's competition authority no longer boasts the most private sector experience. The Portuguese Competition Authority has assumed the top spot, with over half of its staff having spent significant time in the business world.

New *Rating Enforcement* entrant Latvia is second best, with 48 per cent of its staff joining the authority after five years in the private sector. Competition authority staff in Italy, France and Belgium remained consistent in this respect, all with at least 20 per cent of their staff comprised of former private sector professionals.

Although practitioners say they prefer dealing with officials who have an understanding of how the private sector works, a large contingent of former businesspeople is not an automatic indication of an enforcer's efficacy. Some of the world's most respected authorities, including those in Germany, Brazil, Korea and Japan, find themselves in this predicament.

Korea and Japan in particular, who have the longest tenured competition staff, are on the opposite end of the spectrum when it comes to private sector experience. Although their numbers are increasing, only 14 employees at both the Korea Fair Trade Commission and the Japan Fair Trade Commission have more than five years of private sector experience – amounting to just 3 per cent and 2 per cent of their total staff respectively.

For the second consecutive year, Poland and Israel are at the very bottom, with less than 2 and 1 per cent respectively of employees bringing private sector experience to the table. Practitioners in Israel continue to lament this statistic and suggest the enforcer "makes a concerted effort to recruit from the business world." Overall however, most of the enforcers reporting to *GCR* say only one-tenth of their employees have significant business experience.

TABLE 9: HIGHEST LEVELS OF ATTRITION

Authority	No. of non-admin staff who left the authority	No. of non-admin staff	Per cent of non-admin staff who left in 2013
Chile	23	73	32
Russia	545	1,777	31
Mexico	52	228	24
US (DOJ)	87	495	18
Australia	54	318	17
US (FTC)	54	311	17
Ireland	3	19	16
UK	32	204	16
New Zealand	11	77	14
Belgium	4	34	12
Hungary	10	84	12
South Africa	14	115	12
Brazil	11	96	11
Netherlands	17	155	11
Spain	12	105	11
Sweden	13	118	11
EU	48	473	10
Poland	13	131	10
France	13	141	9
Canada	17	210	8
Israel	8	103	8
Denmark	6	84	7
Japan	56	748	7
Latvia	2	29	7
Norway	5	72	7
Switzerland	4	61	7
Greece	3	64	5
Korea	21	412	5
Lithuania	2	43	5
Portugal	3	61	5
Turkey	7	145	5
Czech Republic	2	57	4
Finland	2	59	3
Germany	3	154	2
Italy	2	96	2
Austria	0	24	0

Though the turnover at South Africa's Competition Commission is a perennial concern, it decreased significantly in 2014 compared to the previous year, going from 23 per cent of non-administrative competition staff leaving the commission to only 12 per cent. As the former authorities in Mexico and the UK closed down and new enforcers began operating in 2014, the attrition in Mexico and the UK also dropped, going from 40 and 25 per cent respectively to 24 and 16 per cent.

In contrast, Russia was another enforcer with heavy staff losses in 2013, and its turnover grew slightly worse in 2014, increasing from 28 to 31 per cent. Of course, the Federal Antimonopoly Service is by far the largest authority surveyed in terms of staff, so its number of departures is nearly as large as all other reporting jurisdictions combined.

Despite a successful enforcement run in the past year, Chile rose to the top of the attrition table, with turnover increasing from 19 per cent in 2013 to 32 per cent in 2014. The National Economic Prosecutor's Office has lately taken a tougher stance on competition issues, which may be one reason for some departures. But, the agency does not seem to have trouble finding replacements, as it hired just as many employees as it lost. None of those who departed were retiring, but nearly half went to other government jobs.

Likewise, nearly all the competition staff that left authorities in Belgium and Greece, and the European Commission, remained in civil service. In France, Ireland and Spain, more than two-thirds of employees who left competition work took positions elsewhere in government. Overall, the majority of jurisdictions reporting staff departures saw very little, if any, retirement.

Although the US agencies are prone to a revolving door between the public and private sectors, the Department of Justice remained constant at an 18 per cent level of attrition. The turnover at the Federal Trade Commission, however, jumped from 7 per cent in 2013 to 17 per cent in 2014. There are a variety of potential explanations, including the steadily improving economy offering better opportunities to attorneys and economists, and perhaps a desire to move before a potential shift at the top should Republicans win the White House in the 2016 election.

TABLE 10: PROPORTION OF ENFORCERS RETIRING

Authority	No. of staff who retired	No. of staff who left the authority	Per cent of departing staff who retired
Germany	2	3	67
Korea	14	21	67
Italy	1	2	50
Portugal	1	3	33
US (FTC)	14	54	26
Canada	3	17	18
US (DOJ)	16	87	18
Spain	1	12	8
Netherlands	1	17	6
Japan	3	56	5
Russia	28	545	5
Australia	1	54	2
EU	1	48	2
Belgium	0	4	0
Brazil	0	11	0
Chile	0	23	0
Czech Republic	0	2	0
Denmark	0	6	0
Finland	0	2	0
France	0	13	0
Greece	0	3	0
Hungary	0	10	0
Ireland	0	3	0
Israel	0	8	0
Latvia	0	2	0
Lithuania	0	2	0
Norway	0	5	0
Poland	0	13	0
South Africa	0	14	0
Sweden	0	13	0
Switzerland	0	4	0
Turkey	0	7	0
UK	0	32	0

TABLE 11: PROPORTION OF ENFORCERS REMAINING IN CIVIL SERVICE

Authority	No. of staff who remained in civil service	No. of staff who left the authority	Per cent of departing staff who remained in civil service
Belgium	4	4	100
Greece	3	3	100
EU	46	48	96
France	11	13	85
Ireland	2	3	67
Spain	8	12	67
Sweden	8	13	62
Japan	34	56	61
Mexico	30	52	60
Norway	3	5	60
Italy	1	2	50
Lithuania	1	2	50
Chile	11	23	48
Germany	1	3	33
Netherlands	5	17	29
Korea	5	21	24
Russia	118	545	22
US (DOJ)	15	87	17
UK	4	32	12.5
Hungary	1	10	10
US (FTC)	5	54	9
Australia	2	54	4
Finland	0	2	0
Latvia	0	2	0
Poland	0	13	0
Portugal	0	3	0
Switzerland	0	4	0
Turkey	0	7	0

TABLE 12: BUDGET

Authority	Annual budget (€ million)
US (DOJ)	139.4
US (FTC)	115.5
Korea	95.2
EU	94.4
Japan	84
Spain	59
Italy	48.9
UK	48.8
Australia	37.8
Russia	35.8
Canada	29.5
Mexico	28.9
Germany	27.6
South Africa	22
France	20.7
Sweden	18.9
Turkey	18.6
Netherlands	15.5
Israel	12.9
Denmark	11.1
Norway	11
Brazil	10.2
Greece	9.5
Chile	9.5
Switzerland	9.1
Czech Republic	8.8
Belgium	8.4
Portugal	8.2
New Zealand	8
Hungary	7.6
Finland	6.2
Ireland	4.9
Poland	4.8
Austria	2.8
Lithuania	1.6
Latvia	1.1

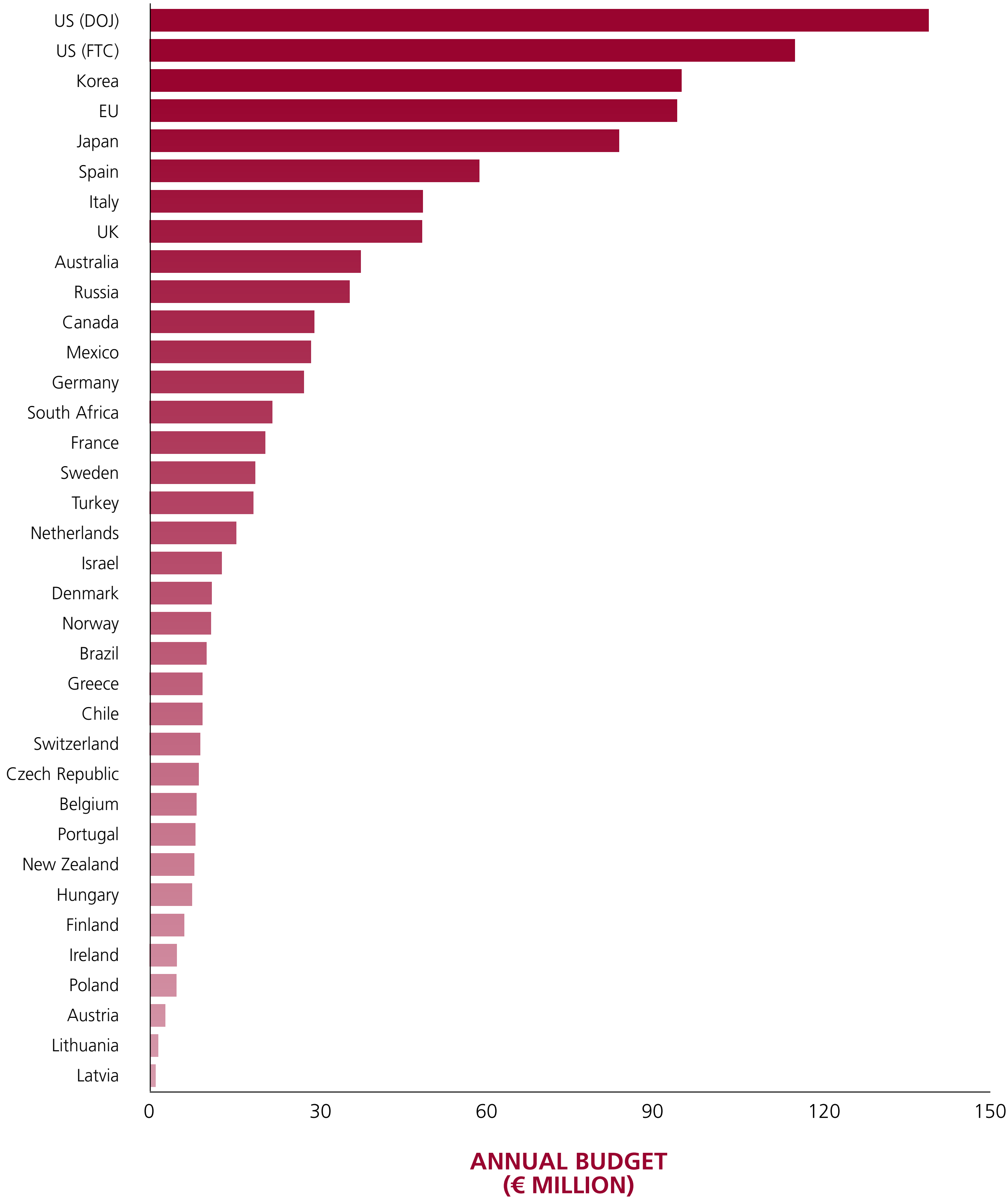
TABLE 13: PROPORTION OF BUDGET SPENT ON SALARY

Authority	Amount spent on salary (€ million)	Per cent of budget spent on salary
Latvia	1	89
Netherlands	13.8	89
EU	82.1	87
Switzerland	7.7	85
Belgium	7	83
Germany	22.2	80
France	16.2	78
Sweden	14.7	78
Norway	8.5	77
Russia	27.6	77
Portugal	6.2	76
Denmark	7.9	71
Finland	4.4	71
Japan	59.5	71
Italy	34.2	70
UK	33.8	69
Austria	1.9	68
Canada	19.5	66
Spain	39	66
US (FTC)	72.2	63
Ireland	3	60
Israel	7.7	60
Poland	2.9	60
US (DOJ)	85.1	61
Chile	5.3	56
Lithuania	0.9	56
Australia	18.3	48
Mexico	14.1	48
South Africa	10.5	48
Turkey	8.2	45
Czech Republic	3.9	44
Greece	4.2	44
New Zealand	3.4	42
Hungary	2.7	35
Korea	29	31
Brazil	2.1	20

Across the board, competition authorities were working with more money in 2014 than the previous year, with significant budget increases in the top five jurisdictions. Only three of the 36 reporting jurisdictions saw their budgets decrease – Russia, Norway and Brazil, and only Russia experienced a meaningful loss of nearly €10 million.

The US DOJ and FTC both benefited from a more liberal budget in 2014, the former jumping nearly €25 million and the FTC jumping about €20 million. The FTC replaced the European Commission in the second spot, and Korea jumped into third place with a budget increase of over €30 million. Rounding out the top five – which featured the same countries as 2013 – is the Japan Fair Trade Commission, whose budget similarly ballooned by more than €20 million.

Mexico and South Africa, which both had busy years, were treated to an extra €12 million and €8 million respectively to



spend on competition enforcement. Meanwhile, the budget of the French, Turkish and Dutch authorities remained essentially unchanged. *GCR*'s newest entrant, Latvia, rounds out the bottom of the table at just over €1 million.

The amount each enforcer spends on staff salary varies widely between authorities, from 89 per cent of the budget in Latvia and the Netherlands, to just 30 per cent of the budget in Korea – a jurisdiction whose enforcer has the third-largest budget reported. Brazil's CADE spends only 20 per cent of its budget on staff salary, but as career civil servants, most case handlers are paid from elsewhere in the government.

Finally, the European Commission and Germany each spend at least 80 per cent of their budget on salary, but comparable enforcers in the US – the DOJ and the FTC – fall into the middle of the pack, at just over 60 per cent.

TABLE 14: NUMBER OF MERGERS FILED

Authority	Merger filings	Population (millions)*
Russia	2,246	142.4
US (DOJ)	1,635	318.9
US (FTC)	1,618	318.9
Germany	1,188	81
Korea	571	49
Brazil	423	202.7
South Africa	358	48.4
Australia	323	22.5
Austria	323	8.2
EU	303	511.4
Japan	271	127.1
Canada	250	34.8
Turkey	215	81.6
Poland	195	38.3
France	192	66.2
Israel	149	7.8*
Mexico	129	120.2
Norway	89	5.1
Spain	82	47.7
Netherlands	75	16.9
Sweden	67	9.7
UK	60	63.7
Lithuania	52	3.5
Czech Republic	45	10.6
Italy	45	61.7
Portugal	43	10.8
Denmark	35	5.6
Ireland	35	4.8
Hungary	31	9.9
Finland	30	5.2
Switzerland	30	8.1
Belgium	16	10.4
Greece	16	10.8
New Zealand	14	4.4
Latvia	11	2.1
Chile	3**	17.4

* Source: CIA World Factbook

** Voluntary regime

Global merger and acquisitions activity hit €3.1 trillion in 2014, according to a report by Thompson Reuters, jumping 47 per cent from the year before. This surge is reflected in the number of deals competition authorities had to review. Filings increased in several jurisdictions, notably the US, Brazil, the EU and some member states. In Asia however, antitrust enforcers reported fewer notifications than last year.

While it still handles far more filings than any other authority, Russia's authority had almost half as many deals to review in 2014 as in the previous year, perhaps because of that country's dire economic situation. Movement in our tables cannot always be explained by economic activity alone, however. Norway reviewed only 89 deals in 2014, down from 395 the year before, due to a significant increase in merger thresholds that relieved companies striking smaller deals of their pre-merger filing obligations.

By and large, less-established authorities tend to subject more deals to in-depth review than their more mature counterparts. As in 2013, Greece, Hungary, Brazil and the Czech Republic all took more than 10 per cent of deals to Phase II, while five-star agencies in the US and Europe registered single digit percentages. It takes experience, of course, to make the call that a deal does not warrant further review. It also requires manpower and resources to clear those deals when timing is tight.

Finland and Mexico both slashed the percentage of filings requiring an in-depth probe from 15 and 14 per cent to 3 and 5 per cent respectively. New Zealand, it should be noted, subjects all mergers to thorough scrutiny, as did Poland until legal amendments in 2015.

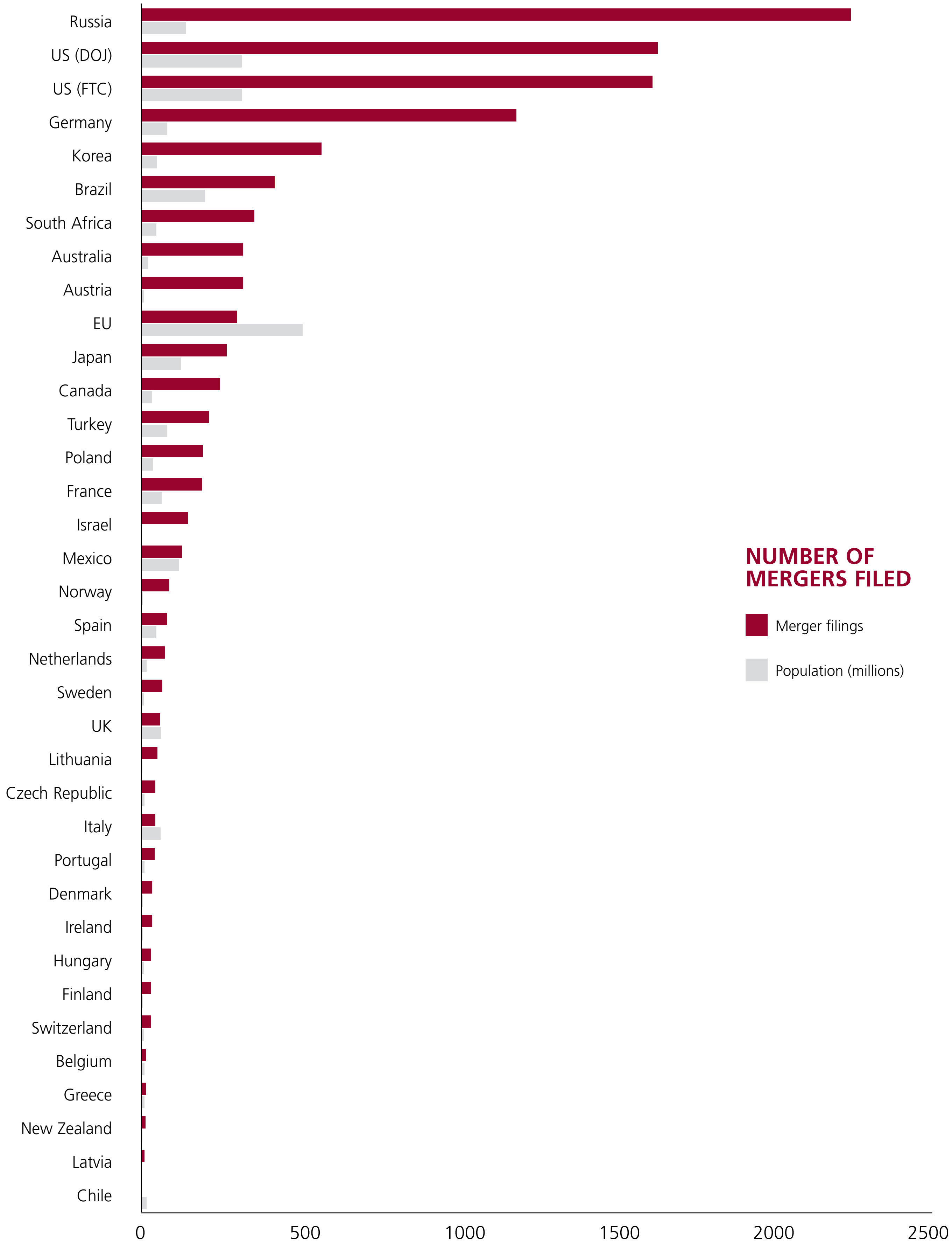

NUMBER OF MERGERS FILED
Merger filings
Population (millions)
Russia
US (DOJ)
US (FTC)
Germany
Korea
Brazil
South Africa
Australia
Austria
EU
Japan
Canada
Turkey
Poland
France
Israel
Mexico
Norway
Spain
Netherlands
Sweden
UK
Lithuania
Czech Republic
Italy
Portugal
Denmark
Ireland
Hungary
Finland
Switzerland
Belgium
Greece
New Zealand
Latvia
Chile
0
500
1000
1500
2000
2500

TABLE 15: PROPORTION OF MERGERS GOING TO IN-DEPTH REVIEW

Authority	No. of mergers that led to an in-depth review	Per cent of mergers that led to an in-depth review
New Zealand	14	100
Greece	8	50
Latvia	4	36
Hungary	6	19
Russia	374	17
Brazil	69	16
Lithuania	8	15
Belgium	2	13
Canada	31	12
Israel	18	12
Czech Republic	5	11
Italy	4	9
South Africa	30	9
Australia	21	7
Korea	27	5
Mexico	7	5
Portugal	2	5
Netherlands	3	4
Norway	4	4
Turkey	8	4
Denmark	1	3
EU	8	3
Finland	1	3
Ireland	1	3
Sweden	2	3
Switzerland	1	3
UK	2	3
Germany	22	2
Japan	6	2
Spain	2	2
US (DOJ)	26	2
US (FTC)	28	2
Austria	3	<1
France	1	<1

TABLE 16: NUMBER OF MERGERS CHALLENGED

Authority	No. of mergers challenged	Per cent of mergers challenged
Chile	3	100
Greece	6	38
New Zealand	2	14
Czech Republic	6	13
Russia	195	9
Finland	2	7
Belgium	1	6
EU	18	6
Lithuania	3	6
South Africa	23	6
France	10	5
Mexico	6	5
Portugal	2	5
Australia	14	4
Netherlands	3	4
Canada	7	3
Denmark	1	3
Israel	5	3
Norway	3	3
Brazil	10	2
Italy	1	2
Poland	4	2
Spain	2	2
Sweden	1	1
Turkey	4	2
Austria	4	1
Germany	12	1
US (DOJ)	16	1
US (FTC)	17	1
Korea	2	<1
Hungary	0	0
Ireland	0	0
Japan	0	0
Latvia	0	0
Switzerland	0	0

TABLE 17: PROPORTION OF CHALLENGED MERGERS BLOCKED

Authority	No. of challenged mergers blocked	Per cent of challenged mergers blocked
Sweden	1	100
US (DOJ)	16	100
Korea	1	50
New Zealand	1	50
Portugal	1	50
Norway	1	33
Israel	1	20
Russia	29	15
Brazil	1	10
Germany	1	8
US (FTC)	1	6
South Africa	1	4
Australia	0	0
Austria	0	0
Belgium	0	0
Canada	0	0
Chile	0	0
Czech Republic	0	0
Denmark	0	0
EU	0	0
Finland	0	0
France	0	0
Greece	0	0
Hungary	0	0
Ireland	0	0
Italy	0	0
Japan	0	0
Latvia	0	0
Lithuania	0	0
Mexico	0	0
Netherlands	0	0
Poland	0	0
Spain	0	0
Switzerland	0	0
Turkey	0	0
UK	0	0

Chile now resides at the top of challenged merger table, having opposed every merger that came before it in 2014 – but one should note that pre-merger notification is voluntary there. No voluntary notifications were made in 2013, though the FNE initiated in-depth investigations of 15 deals. In 2014, the FNE challenged three mergers but blocked none, as two cases were resolved with remedies and the third ultimately was abandoned. And as always, the number of deals the US DOJ "blocks" should be taken with a grain of salt, as the enforcer sues to block each merger it decides to challenge even though the vast majority of those deals ultimately close after the companies agree to the DOJ's conditions.

Also of note, the number of deals challenged in Brazil dropped significantly, from 47 to 10, and from 12 per cent of all mergers challenged to only 2 per cent. These numbers align with other big enforcers in the Americas. The US DOJ stayed at 1 per cent, and the FTC ticked down from 2 per cent in 2013 to 1 per cent in 2014, having challenged six fewer deals.

Canada however became more aggressive, doubling the number and percentage of mergers challenged. Still, the Competition Bureau did not hold a candle to Russia's Federal Antimonopoly Service, which leapt into sixth place by tripling the percentage of mergers challenged from 3 to 9 per cent, thanks in part to a decline in the total number of filings. The absolute number of deals challenged in Russia increased from 137 in 2013 to 195 in 2014. Yet the FAS ended up blocking fewer deals than it did the year before, particularly when evaluated as a proportion of the deals challenged: nearly a quarter of challenged mergers were blocked in 2013, but only 15 per cent were blocked in 2014.

TABLE 18: PROPORTION OF CHALLENGED MERGERS ABANDONED

Authority	No. of challenged mergers abandoned	Per cent of challenged mergers abandoned
Germany	10	84
Portugal	1	50
Chile	1	33
Lithuania	1	33
Canada	2	29
Austria	1	25
Turkey	1	25
US (DOJ)	4	25
Australia	3	21
US (FTC)	3	18
UK	1	11
Belgium	0	0
Brazil	0	0
Czech Republic	0	0
Denmark	0	0
EU	0	0
Finland	0	0
France	0	0
Greece	0	0
Hungary	0	0
Ireland	0	0
Israel	0	0
Italy	0	0
Japan	0	0
Korea	0	0
Latvia	0	0
Mexico	0	0
Netherlands	0	0
New Zealand	0	0
Norway	0	0
Poland	0	0
South Africa	0	0
Spain	0	0
Sweden	0	0
Switzerland	0	0

TABLE 19: PROPORTION OF MERGERS RESOLVED WITH REMEDIES

Authority	No. of challenged mergers resolved with remedies	Per cent of challenged mergers resolved with remedies
Belgium	1	100
Denmark	1	100
Finland	2	100
France	10	100
Ireland	1	100
Italy	1	100
Mexico	6	100
Poland	4	100
South Africa	22	96
EU	17	94
Brazil	9	90
Russia	157	81
Israel	4	80
US (FTC)	13	76
Austria	3	75
Turkey	3	75
Canada	5	71
Chile	2	67
Lithuania	2	67
Norway	2	67
Australia	8	57
Korea	1	50
New Zealand	1	50
Spain	1	50
US (DOJ)	7	44
Czech Republic	2	33
Greece	1	17
Germany	1	8
Hungary	0	0
Japan	0	0
Latvia	0	0
Netherlands	0	0
Portugal	0	0
Sweden	0	0
Switzerland	0	0
UK	0	0

Only a third of participating authorities reported any challenged mergers that were eventually abandoned by the parties.

Germany stands out in this minority as suddenly the place where deals go to die, with 10 tie-ups – 84 per cent of all mergers challenged by the Federal Cartel Office – ultimately abandoned. This is a huge increase from last year, when only two deals, or 20 per cent of those challenged, were dropped by companies in Germany, and makes up more than a third of the 28 deals abandoned in all jurisdictions combined. The burden does not always fall on the biggest deals. Some of the abandoned mergers were relatively small domestic ones, while Germany granted unconditional clearance to *Applied Materials/Tokyo Electron*. That tie-up eventually fell in 2015, after the US DOJ rejected the companies' proposed remedy.

Both US agencies struck more fear in companies whose deals they challenged, as a quarter of the mergers opposed by the DOJ were dropped, and 18 per cent of those challenged by the FTC. For the commission, this was twice the percentage reported in 2013.

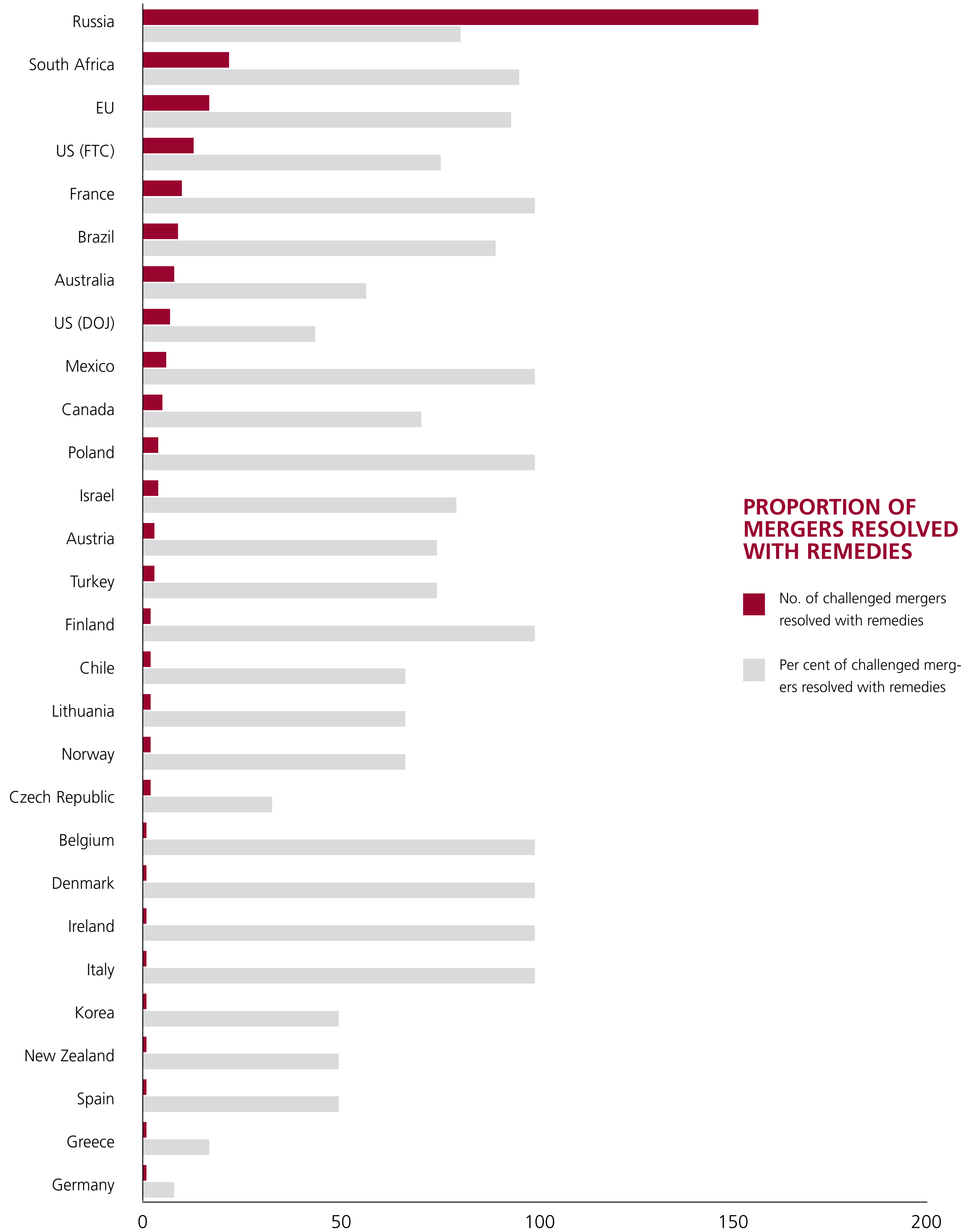

Russia
South Africa
EU
US (FTC)
France
Brazil
Australia
US (DOJ)
Mexico
Canada
Poland
Israel
Austria
Turkey
Finland
Chile
Lithuania
Norway
Czech Republic
Belgium
Denmark
Ireland
Italy
Korea
New Zealand
Spain
Greece
Germany
0
50
100
150
200
PROPORTION OF MERGERS RESOLVED WITH REMEDIES
No. of challenged mergers resolved with remedies
Per cent of challenged mergers resolved with remedies

TABLE 20: AVERAGE LENGTH OF AN IN-DEPTH MERGER REVIEW

Authority	Average length of in-depth merger review (in days)
Netherlands	240
Portugal	225
Germany	154
EU	152
Austria	150
UK	150
Chile	145
France	126
Czech Republic	120
Greece	120
Ireland	120
Switzerland	120
Lithuania	106
Denmark	105
Norway	105
Hungary	103
Finland	90
Belgium	80
Brazil	77
South Africa	64
Australia	63
Israel	62
New Zealand	60
Mexico	58
Poland	57
Latvia	45
Canada	44
Italy	43
Korea	27
Turkey	16

For the second consecutive year, we asked competition enforcers how long it took, on average, for the agencies to conclude an in-depth merger review. Although the statistics can be skewed depending on how many in-depth investigations are opened in one given year and when a merger's clock officially starts, the data gives some indication of the general timing of a Phase II review in the above jurisdictions.

The majority of jurisdictions take an average of three to four months to look over a complex merger and decide on a course of action. There are outliers, of course. Once again, Portugal and the Netherlands top our table with reviews that last around eight months, while Canada, Italy and Korea continue to keep thorough reviews shorter than two months on average. A number of enforcers managed to trim the amount of time it took them to review a complex deal in 2014, notably Brazil, Finland and Mexico, the latter spending 42 days less on average on each in-depth deal probes in 2014.

Average wait time for Phase II reviews at the European Commission jumped from 113 days in 2013, to 154 days in 2014. This is probably not what the commission expected when it adopted a package of measures designed to simplify and streamline EU merger control procedures, which came into force at the beginning of 2014. Yet the increase is not necessarily surprising. The commission last year increased merging businesses' obligation to provide information, particularly internal documents. Some complex deals may have weighed particularly heavily on the commission's speediness, such as *Hutchison 3G UK/Telefonica Ireland*, notified back in January 2013 but not decided until May 2014.

Average length crept up in Chile from 133 to 145 days, although the authority closely reviewed only three mergers last year, compared to 15 in 2013. However, the OECD's 2014 report on Chile's merger process criticised it as inefficient, and warned that "long and uncertain review periods may have a chilling effect and lead companies either to avoid notification or even to abandon (potentially pro-competitive) merger plans."

TABLE 21: NUMBER OF LENIENCY APPLICATIONS

Authority	No. of leniency applications
South Africa	115
Germany	72
Japan	50
EU	46
Canada	43
Russia	34
UK	32
Netherlands	28
Belgium	17
Poland	15
Australia	12
Austria	10
France	9
Portugal	8
Czech Republic	6
Italy	6
Mexico	6
Sweden	5
Turkey	4
Hungary	3
Lithuania	2
New Zealand	2
Israel	1
Latvia	0

TABLE 22: NUMBER OF FIRST-IN LENIENCY APPLICATIONS

Authority	No. of first-in leniency applications
South Africa	115
Germany	42
Canada	20
Russia	18
Australia	15
Austria	10
France	8
Belgium	6
Portugal	4
Turkey	3
Norway	3
Lithuania	2
Hungary	2
Latvia	0

Perhaps surprisingly, South Africa's competition commission topped the table for total leniency filings in 2014, despite receiving only three applications the year before. This explosion in self-reporting is down to the authority's hugely successful Construction Settlement Project, which has uncovered at least 300 public and private-sector contracts that were targeted by bid rigging, and was borne out of a probe of construction tenders for the FIFA 2006 World Cup.

Omit South Africa, however, and as in 2013, Germany and Japan come top. Germany's 72 applications are attributable, local lawyers say, to a robust programme that values confidentiality and provides clear discounts for companies that aren't the first to report a cartel. Both it and Japan may also owe their success to a collision of law and culture. The two authorities impose large fines on cartelists – Germany's Federal Cartel Office especially so in 2014 – and when coupled with the cooperative and loyal business tradition of Japan's salarymen and Germany's *Mittelstand*, that toughness keeps the number of wrongdoers seeking immunity high year after year.

Not all authorities provided data on immunity applications. The DOJ declined to respond, as is typically the case, although its sprawling probe of the auto parts industry and the way it appears to be consistently spreading to new components suggest a healthy amount of self-reporting. Of those authorities that did respond, several have reasons to be cheerful. The UK's Competition and Markets Authority, for instance, received 10 more leniency applications last year than its predecessor, the OFT, did in 2013 despite being a brand new authority with a scant track record in anti-cartel enforcement.

TABLE 23: CARTEL FINES

Authority	Cartel fines (€ million)	Average fine (€ million)
EU	1,700	169
US (DOJ)	1,200	Did not answer
Germany	1,001	75
Korea	966	17
France	957	23.9
Japan	298	25
Italy	184	61.5
South Africa	102	7.6
Chile	53.8	9
Spain	43.8	3.6
Brazil	39.9	2.9
Russia	31.7	0.2
Austria	22.3	1
Hungary	18.7	2.1
Australia	15.9	5.3
Mexico	15	7.5
Canada	13	2.6
Greece	10.2	10.2
Latvia	7.9	1.1
Czech Republic	6.8	0.7
Turkey	4.1	0.5
New Zealand	3.5	1.2
Denmark	3.2	0.25
Poland	2.5	0.1
Switzerland	2.1	1
Netherlands	2	2
Israel	1	0.1
Sweden	0.2	Did not answer
Lithuania	0.02	0.02
Belgium	0	0
Finland	0	0
Ireland	0	0
Norway	0	0
Portugal	0	0

While it doesn't quite measure the quality of competition enforcement, the size of fines matters to trust-buster buffs like us. The more price fixers and bid riggers are forced to pay for their wrongs, the more feared the authority will be by large and small companies alike. The more seriously counsel take the authority, the more leniency applications it will receive, the more cartels are busted, and so on.

It is a circle – whether a virtuous or vicious one depends on your point of view – that has paid dividends for the US DOJ and European Commission, who once again top our list of the largest-fining authorities. The 2014 figures for the EU, in particular, understate the weight of its enforcement. The commission's €1.7 billion in cartel penalties does not take into account more than €420 million imposed on Servier and other drug companies for a combination of joint and unilateral violations.

Aside from the sheer size of fines at the top, the other notable thing about this year's table is how multiple smaller, national authorities rivaled the Big Two in racking up 10-digit fines. The €951 million France's Competition Authority squeezed from two consumer goods cartels is more than 11 times larger than the authority's total fines in 2013, while a string of decisions against companies in the beer, meat and sugar industries brought German cartel fines up to over €1 billion for the first time. Those fines, though, were the result of large, multi-year investigations and are unlikely to be repeated every year.

Big fines are in vogue outside more established jurisdictions in Europe and North America too. The €966 million Korea's authority has ordered – up from €251 million in 2013 – came mostly from a campaign against bid rigging in the country's construction industry, while Brazil's total does not include €1 billion in fines meted out to cement companies in May 2014 for running a generation-long cartel. CADE is yet to finalise the fines for procedural reasons, but if included, Brazilian fines would be right up there with those imposed by the US and EU.

TABLE 24: NUMBER OF DAWN RAIDS

Authority	No. of dawn raids
Turkey	76
Russia	39
Korea	35
Austria	17
Germany	14
Italy	13
Greece	11
Hungary	9
Latvia	9
Poland	9
Brazil	8
Czech Republic	8
France	8
Spain	8
Netherlands	7
Israel	6
Norway	6
Denmark	5
Finland	5
EU	4
Lithuania	3
South Africa	3
Belgium	2
Canada	2
Mexico	2
Sweden	2
Ireland	1
Switzerland	1
New Zealand	0
UK	0

TABLE 25: AVERAGE DURATION OF A CARTEL INVESTIGATION

Authority	Average length of cartel investigation (months)
Denmark	47
Greece	42
Germany	30
Hungary	27
Czech Republic	26
Korea	26
Australia	24
Ireland	24
Netherlands	24
Switzerland	24
Mexico	23
Spain	22
Canada	19
EU	18
Finland	18
France	18
Latvia	18
Norway	18
Russia	18
Chile	17
Japan	14
New Zealand	14
South Africa	13
Sweden	13
Israel	12
Italy	12
Poland	12
Turkey	10
Lithuania	4

Certain authorities consistently take longer than others to bring cases. What the numbers do not show, of course, is why – whether it is the complexity and size of cartels, the thoroughness of the probe, or a lack of resources that contributes to an enforcer's relative slowness. Germany's Federal Cartel Office, for instance, is no slouch at fighting cartels (just look at its cartel fines and leniency application total), but it consistently does so at a much slower rate than its peers in France and the European Commission. Denmark's authority, on the other hand, which is often slammed for toothless anti-cartel enforcement, spends 47 months building cases – a significant increase from the 18 months in 2013.

A number of authorities chose not to divulge how long their investigations last on average. Belgium previously topped this table but did not provide exact statistics, although the 37 months it says it takes to close an investigation hardly suggests the authority has become an icon of swiftness in the last year. Plenty of other enforcers, including Brazil's CADE and the US DOJ, did not report how long it takes to investigate a case, and for authorities that gave broad ball-park figures, of which there were many, we took an average.

TABLE 26: TOTAL NUMBER OF DOMINANCE INVESTIGATIONS OPENED

Authority	No. of abuse investigations opened
Russia	3,056
Ireland	102
South Africa	85
European Commission	40
Brazil	31
France	23
Germany	23
Austria	23
Korea	22
Greece	18
Norway	16
Chile	15
Australia	14
Denmark	10
Finland	7
Canada	5
Hungary	5
Sweden	5
Spain	4
Turkey	3
US (FTC)	3
Belgium	2
Czech Republic	2
Italy	2
Latvia	2
Mexico	2
Netherlands	2
Israel	1
New Zealand	1
Portugal	1
UK	1
Lithuania	1
Switzerland	0

TABLE 27: TOTAL NUMBER OF DOMINANCE INVESTIGATIONS CLOSED

Authority	No. of abuse investigations closed
Russia	2,545
South Africa	79
Spain	74
Brazil	67
EU	58
Ireland	56
France	30
Germany	29
Greece	27
Denmark	25
Chile	21
Australia	20
US (FTC)	19
Korea	15
Finland	8
Portugal	8
Turkey	8
Sweden	8
Hungary	7
Canada	6
Italy	4
Latvia	4
Netherlands	4
New Zealand	3
Belgium	2
Israel	2
Switzerland	2
UK	2
Lithuania	2
Czech Republic	1
Mexico	1

Whatever talk there may have been about Russia bringing its competition enforcement practice in line with global norms has clearly fallen by the wayside. For the second year in a row, the number of dominance probes opened by the FAS has grown – this year, by more than 420, which alone would be four times more than any other enforcer in the world. The numbers make little sense and create doubt as to the usefulness of opening so many assuredly minor investigations.

Leaving Russia aside, the top of the table is much the same – and, to some extent, a roll call of some of the most active competition law jurisdictions regardless of case type. Ireland and South Africa again opened and closed dozens of investigations, taking on only the more serious matters among them. Otherwise, the top of the list is a who's who of antitrust enforcers: the European Commission, Spain, Brazil, France and Germany are all among our top-rated enforcers worldwide.

As is also typical, the list is short on North American enforcers at the top of the table. The US Department of Justice declined to answer questions about its monopolisation enforcement record this past year, and the FTC opened just three new cases. It's not surprising; the bulk of US court precedent is now firmly weighed against monopolisation enforcement – the only tool in the DOJ's kit to address single-firm conduct, and the primary statute used by the FTC, along with its authority under the FTC Act. Court precedent is also a potential road block in Canada, where the bureau opened five cases last year. Dominance cases remain primarily a European creature – although enforcers in Brazil and Chile continue to rise up the table.

TABLE 28: AVERAGE DURATION OF DOMINANCE INVESTIGATIONS

Authority	Average duration of abuse investigation (months)
Belgium	58
Czech Republic	43
Greece	42
EU	35
South Africa	32
Hungary	29
UK	29
Portugal	26
Lithuania	25.5
Israel	24
Switzerland	22
Spain	21
Mexico	19
Finland	18
France	18
Latvia	18
Norway	18
Canada	15
Australia	14
Turkey	14
Chile	13
Germany	12
Denmark	11
Italy	11
Korea	9
Netherlands	8
New Zealand	8
Sweden	8

TABLE 29: LONGEST-RUNNING DOMINANCE INVESTIGATION

Authority	Longest running invesigation (months)
Brazil	192
Greece	108
US (FTC)	103
EU	96
France	96
South Africa	96
Finland	84
Portugal	71
Canada	60
Belgium	57
Sweden	48
Korea	45
Chile	44
Czech Republic	44
Australia	40
Israel	40
Hungary	30
Switzerland	30
Norway	24
Denmark	20
UK	20
Latvia	19
Turkey	19
Mexico	15
Lithuania	14
Italy	12

Long-running dominance investigations are typically viewed as a sign of a slow-moving and potentially understaffed enforcer. It's perhaps time for that perception to change. The top of the table this year is again occupied by some of the world's best enforcers, including CADE, the FTC and DG Comp. The reasons for the extended investigations vary from enforcer to enforcer – Brazil has suffered from staff turnover and other issues, while at the FTC, its Cephalon pay-for-delay case has been on hold until the Supreme Court handed down its decision in Actavis, and is now on schedule for a June 2015 bench trial. In Europe, meanwhile, the commission says it needs to review its 2007 SEPA payment cards case, given the new interchange fee regulation and ongoing discussions over a revised payment services directive.

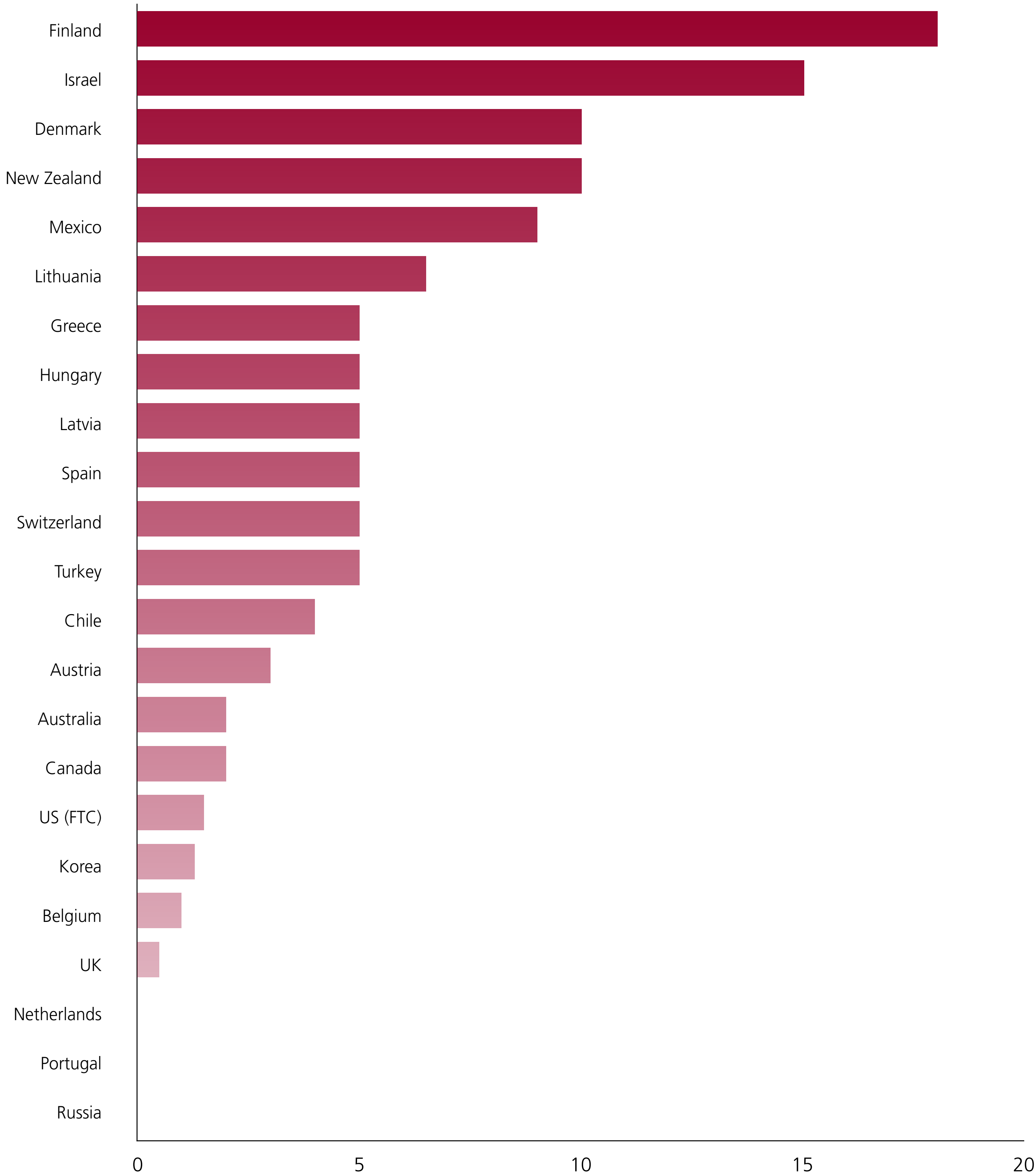
In some jurisdictions, there has clearly been an effort to clear out backlogs of old cases, and now the longest-running abuse of dominance investigation on the books is months shorter than the average. Lithuania is a prime example: its longest-running investigation, into television access, opened in October 2013, but its dominance investigations typically last for more than two years.

TABLE 30: DOMINANCE INVESTIGATIONS ENDED WITH COMMITMENTS

Authority	No. of invesigations closed w/ commitments
Russia	1,913
Denmark	20
Brazil	15
Chile	5
Hungary	4
Australia	3
France	3
Canada	2
Germany	2
Korea	2
Spain	2
UK	2
EU	1
Finland	1
Greece	1
Italy	1
South Africa	1
Switzerland	1
Turkey	1
Lithuania	1
Belgium	0
Czech Republic	0
Ireland	0
Israel	0
Latvia	0
Mexico	0
Netherlands	0
New Zealand	0
Norway	0
Portugal	0
US (FTC)	0
Austria	0
Sweden	0

TABLE 31 (NEW): PERCENTAGE OF BUDGET SPENT ON ADVOCACY

Authority	Per cent of budget dedicated to advocacy
Finland	18
Israel	15
Denmark	10
New Zealand	10
Mexico	9
Lithuania	6.5
Greece	5
Hungary	5
Latvia	5
Spain	5
Switzerland	5
Turkey	5
Chile	4
Austria	3
Australia	2
Canada	2
US (FTC)	1.5
Korea	1.3
Belgium	1
UK	0.5
Netherlands	0
Portugal	0
Russia	0



PERCENTAGE OF BUDGET SPENT ON ADVOCACY

TABLE 32 (NEW): NUMBER OF APPEARANCES BEFORE LAWMAKERS

Authority	Appearances before lawmakers
Israel	36
Japan	29
Germany	20
France	17
Czech Republic	11
Switzerland	10
Finland	9
Chile	8
Australia	7
Lithuania	6
EU	5
Italy	4
US (FTC)	4
Canada	3
Mexico	3
Portugal	3
Russia	3
Spain	2
Netherlands	1
New Zealand	1
Austria	1
Belgium	0
Denmark	0
Ireland	0
South Africa	0
Turkey	0
UK	0
US (DOJ)	0

As much effort as we – and the agencies – put into compiling the extensive statistical material included in *Rating Enforcement* year-on-year, it never fails that some observers in the bar and elsewhere in the competition law world take exception with the concept as a whole. As interesting as it may be to count cases and fines, they say, some of the most important enforcement work is done outside of the courts and administrative hearing rooms. They happen in the halls of legislature, in the letters and white papers submitted to their own governments, and in the assistance and guidance given to fellow enforcers around the world. Well, we agree. The advocacy role competition enforcers play domestically and abroad is no doubt crucial to opening industries and, at times, entire regions to the benefits of competition law, and many young agencies have received time-honed lessons from officials in more senior antitrust jurisdictions and, in turn, have taken those lessons to the halls of power and demanded better laws and more enforcement powers.

So for the first time, *Rating Enforcement* set out to measure advocacy activity at the jurisdictions we review. We asked for details about meetings with government, about new laws and regulations proposed and enacted, and so on – about all of the efforts enforcers took to improve competition in their country through conversations rather than cases. The results were compelling, if not entirely complete. Twenty jurisdictions reported spending at least some of their budget specifically on advocacy efforts. Those jurisdictions spread scattershot across the seniority spectrum, from the US Federal Trade Commission to enforcers in Chile, Turkey and Latvia.

That's because such efforts can be crucial everywhere. In Chile, an enforcer with high aspirations used a combination of solid casework and consistent advocacy efforts – including soliciting the assistance of the OECD and other outside advisers – to convince the government to recommend major changes to the country's competition law. And in the US, both the FTC and the DOJ's antitrust division advise on government initiatives that could affect competition in wide swaths of the market – think Obamacare – and push states to ease competition restrictions on a host of regulated industries.

More than 20 enforcers we surveyed reported spending time before lawmakers. In some cases, the appearance is an annual routine, where officials deliver the agency's year-in-review to legislators and the public. In other places, the authority is called in to testify about any number of issues. In some cases, it's in an advocacy capacity, explaining the possible effect of a new law or regulation on competition. In others – and this is often the case in the US – the appearances before the legislature is more akin to an interrogation than a conversation. Still, the role of advocate for strong competition enforcement and policies is important in every instance – in public meetings, private conversations, media blitzes and advice to other enforcers.

Lithuania

★★★

IMPROVING

COMPETITION COUNCIL

For years, Lithuania's Competition Council (KT) struggled in its role as a competition enforcer and an advocate. It stumbled over its small budget and young staff. While its leadership was enthusiastic and focused, cases failed to emerge and advocacy efforts appeared moribund at times. Complaints rained down from the private bar hungry for a stirring enforcement record.

Well, those days appear to be over.

During the last year, the council and its leadership have envigorated competition enforcement in Lithuania, issuing more fines than in any one year in the enforcer's history and delivering a steady and forceful message to companies both foreign and domestic: the KT is unafraid to target anti-competitive conduct where it sees it, even if that means going after powerful multinationals and, at times, other government agencies.

Mergers is a fine place to begin, and it was a strong year for the council when challenging deals it found may harm competition law. The authority reviewed 52 deals, more than 20 higher than 2013, and challenged three deals it found would have harmed competition had they closed without alterations. A deal between two bus fleet operators fell by the wayside after the council challenged it. Meanwhile, it cleared an insurance deal after the companies offered significant commitments.

No case resonated more with the country's competition bar than its fine against Russian oil and gas giant Gazprom. The council hit the company with a €36 million penalty after Gazprom's apparent refusal to negotiate a natural gas exchange contract with AB Lithuania. The penalty shattered records in the country; it was four times higher than any previous single penalty, and twice as much as the authority had imposed on any group of companies. Observers say the fine was a milestone for the agency, and a sign of its increasing confidence.

That confidence was on display in other cases as well. In what one practitioner called a "bombshell", the authority slapped Lukoil with a €3.2 million fine for failing to file merger paperwork for a joint venture it entered into more than a decade earlier. The fine caused a stir in the competition community; it was by far the largest non-notification fine in Lithuania and one of the highest anywhere in Europe. Lukoil has appealed, but observers say it shows the authority is unafraid of challenge and aims to raise awareness of competition law requirements among the business community.

Enforcement was active across the enforcer's docket. The authorities handed down fines of more than €21 million against Maxima, the country's largest food retailer, and food supplier Mantinga for their alleged roles in a long-running resale price maintenance plot. While they have yet to reach any formal decisions, companies in multiple industries received lists of suspected charges and case work generally appears on the rise.

The authority has traditionally been a strong advocate, and that role continued in 2014. Officials met with both the president of the republic and the prime minister to advocate for a more competitive economy and fewer regulations that stifle competition. Indeed, its head Šarūnas Keserauskas has long pushed for stronger, more independent competition authorities able to break away from the restrictions of politics and state budgets and challenge governments to remove regulations that create market power. The council went after waste disposal contracts in municipalities around the country, and found that the Vilnius Municipality distorted competition by favouring its own taxi company over its rivals.

Overall, it was a breakout year for the Lithuanian enforcer. The more than €63 million in fines puts it in good company among its European counterparts, and pairs nicely with its already-strong record as one of the continent's great advocates for competition principles. With the inclusion of neighbour Latvia in this year's *Rating Enforcement*, the region appears to be on a strong enforcement footing.

Head of agency	Šarūnas Keserauskas
Previous employment Senior Legal Adviser at the UK Office of Fair Trading	
Mandate expires	April 2017
Salary of head of agency	€19,836
Appointment of head of agency Chairman, his deputies and members of the council are appointed by the President of the Republic of Lithuania upon the proposal of the Prime Minister.	
Agency head reports to	Independent
Budget	€1.61 million
Amount spent on salary	€897,260
Percentage of budget spent on salary	75%
Total staff 68 plus 4 council members including the chair	
Staff working on competition enforcement	46
Percentage focused on competition	68%
Non-administrative staff	43
Percentage who are lawyers	72%
Percentage who are economists	21%
Percentage who are others	7%
Other areas of focus Competition advocacy, state aid, monitoring competition in railway sector, misleading advertising	
Average age of staff	34
Male/Female	26%/74%
Average tenure	6 years
No. of staff who left	2
No. of staff who retired	0
No. of staff who remained in civil service	1
No. of staff who joined from the civil service	0
No. of staff who joined in 2014	7
Number who have spent at least 5 years in private practice	2
Percentage of staff who left	5%
Percentage who retired	0
Percentage who remained in civil service	50%
Percentage who joined from civil service	0
Percentage who joined in 2014	16%
Stand-alone bureau of economics	Yes
No. with PhDs in economics	0
Name of chief economist	Dr Šarūnas Pajarskas

Priorities

No. of staff working on mergers	10
No. of staff working on anti-cartel	11
No. of staff working on dominance-related issues	10
No. of staff working on other areas*	31
Percentage of staff working on mergers	23%
Percentage of staff working on anti-cartel	26%
Percentage of staff working on dominance-related issues	23%
Percentage of staff working on other areas	72%
Sectoral priorities in 2014 Energy, food, waste mangement, breweries, transportation, public procurement, construction, state aid	
Sectoral priorities for 2015 Energy, food, dairy, waste management, public procurement, transportation, reimbursable pharmaceuticals	
Performance assessment	None

* 15 of those employees work in all areas of enforcement

Mergers

No. of mergers filed	52
No. of mergers that led to in-depth review	8
No. of filed mergers challenged	3
No. of challenged mergers blocked	0
No. of challenged mergers resolved with remedies	2
No. of challenged mergers abandoned by parties	1
Percentage of filed mergers that led to in-depth review	15%
Percentage of filed mergers challenged	6%
Percentage of challenged mergers blocked	0%
Percentage of challenged mergers resolved with remedies	67%
Percentage of challenged mergers abandoned by parties	33%
Average length of an in-depth merger review	106 days

Anti-cartel

No. of leniency applications	
First-in	2
Total	2
No. of dawn raids	3
No. of cartel decisions	2
No. of cartel decisions concluded with fines	1
Total cartel fines in 2014	€15,871
Average fine per cartel	€15,871
Average length of cartel investigation	4 months
Fines collected by Lithuanian State Tax Inspectorate	
Fines go to	The state budget

Abuse of dominance

Highest no. of abuse of dominance cases under way in 2014	4
No. of abuse of dominance investigations launched in 2014	1
No. rolled over	3
No. of files closed in 2014	2
Average length of investigation	25.5 months
Sum total of abuse of dominance fines	0
No. of abuse cases settled with behavioural conditions	1

Longest-running investigation

The authority opened an investigation on 29 October 2013, after the complaint of SATV network which claimed that the Centre of National Radio and Television of Lithuania precluded access to its electronic connections infrastructure and thus abused its dominant position.

Explanation for its duration

Owing to the large amount of data to be analysed, the investigation has remained open.

Total fines

Total fines	€63.2 million
Imposed for	
Cartels	<1%
Abuse of Dominance	0%
Other	100%

Organisational change

Structural change

General Affairs Division was split into the Internal Administration Division and the Financial Division.

Leadership change	No
New powers or responsibilities	No

Budget change

Increased to €1.61 million from €1.29 million in 2013

Advocacy

Percentage of budget dedicated to advocacy	6.5%
Stand-alone advocacy office	No.
Appearances before congress/parliament	6

Letters sent to or other meetings with lawmakers, ministry officials or other leaders

Official letters sent to: the Economic Ministry in response to Lithuania's Free Market Institute's amendments to include the possibility of fining public admin bodies or the personal liability of their top-level managers for infringing the law; the Energy Ministry on the proposed fuel prices regulation, with analysis on why regulation would be disproportionate; the government concerning state aid issues arising in passing on a Gazprom gas price discount; and the Parliament on suspension of fine payments and interest calculation.

Twenty-three official letters, including on advertising, agricultural food economy and rural development, alcohol; fishery; health-care institutions; packaging waste; pharmacy; radio and television; road transport; transport; and waste management.

Law changes proposed

Advertising concerning prohibition of food supplement advertisements; proposal to increase the age limit for purchasing alcohol; opinions on health protection services financed by compulsory health insurance; fishery quota; proposal to improve competition in television service provider; comments on prohibition of advertising reduced pharmaceutical prices; recommendations on transport schemes and procedures for service providers; proposal to amend transport code for municipalities obliged to choose public transport providers competitively; proposed to annul boundaries for waste packaging firms and regional waste centres. Enacted suspension of fine payments and calculation of interest.

Other results

N/A

Priority setting

Setting goals and priorities

Goals and priorities are set in line with a strategic plan, consumers' needs and market realities. We have annual strategy planning and quarterly performance meetings between chair and divisional heads.

Allocation of resources

The council allocates resources to maximise consumer welfare. To decide if a matter constitutes an enforcement priority, since 2013, the council assesses the expected impact of its intervention on competition and consumer welfare, its strategic import and use of resources compared to its expected success.

Long-term strategy and training

Evaluation methods

The council annually impact-assess the council and calculate consumer benefits. Council staff have annual evaluations, heads and deputy divisions heads are evaluated by colleagues and externally which contributes to identifying strengths and weaknesses. Antitrust roundtables started in 2011, from which it continues to receive feedback from antitrust experts. The council signed an agreement with the social technologies faculty of Mykolas Romeris University and launched three-year qualitative, reputational and quantitative opinion polls on the council. The council has weekly management meetings of council members and division heads; annual and quarterly performance assessment meetings between chair and division head; post mortem meetings for lessons learned from completed investigations.

Ensuring stability

Monthly staff meetings to discuss important events; weekly staff divisional and post mortem meetings with case handlers for lessons learned from investigations; internal economics seminars for competition lawyers; guidelines and standard documents and digital archiving.

Results

Key achievements

Enforcement

The council successfully closed four anti-competitive agreements:

- Strong Beer Cartel: the authority rejected unsubstantiated claims including "social responsibility", to justify agreements among rivals to limit production or other cartel conduct;
- Cash-handling services: the authority reopened the investigation into anti-competitive agreements of cash-handling services after the Supreme Administrative Court decision. After re-evaluation, it found G4S Lietuva in breach of article 101 for exclusivity arrangements in its agreements with the three largest banks and that competition restrictions directly affected bank clients using cash-in-transit services;

How do you rate yourself?

Organisations rarely admit doing "more of the same" when change is all the world seems to require. And yet this characterises our 2014. We completed more and larger investigations against state and private actors, stood up to the rising number of problematic mergers and expanded advocacy.

Investing in competition enforcement continues to provide good return for money: according to OECD methods, every €1 put in our operations brought a sevenfold direct financial benefit to consumers. We focused on energy, food and drinks, waste management, banking and insurance, and transport sectors.

In the energy sector, we highlight the €35.6 million fine imposed on Gazprom for failing to comply with merger conditions by hindering Lithuanian buyers in obtaining natural gas from alternative sources of supply. A large retailer of petroleum products received a fine of €3.42 million for non-notified mergers. The agency issued statements of objection to members of a co-generation power plants supply cartel, one of which had blown the whistle.

In food retail, we fined Maxima, the largest food retailer, and Mantinga, a major supplier of frozen baked goods €16.8 million and €4.4 million respectively for engaging in retail price maintenance. This decision warned all retailers and their suppliers: since its adoption, retailers have retaliated with price reductions.

In contrast, members of the strong beer cartel escaped fines, as their agreement not to produce beer of a certain strength had previously been notified to and received no objections. Still, in its infringement decision we refused to accept the "social responsibility" justification.

In December, we cleared a merger between two large producers of alcoholic drinks subject to structural commitments. That month, we launched a dairy market investigation.

We continued challenging municipalities awarding waste management contracts to municipal companies without competitive selection processes. A market investigation in this field was completed, with the findings expected to be published mid-2015.

In transport, we found the Vilnius Municipality distorted competition by favouring its own taxi firm. We also closed a suspected pricing abuse investigation by accepting commitments from the Lithuanian National Road Carriers Association. A merger between the two largest bus fleet operators carrying passengers on local, long-distance and international routes was abandoned after we challenged it.

In insurance, we cleared the merger of Lietuvos draudimas and PZU, major insurance companies in Lithuania and Poland respectively, subject to structural remedies.

In a reopened procedure in Cash Handling Services, we found the commitments offered by G4S Lietuva, the exclusive supplier to three largest banks, fell short of the statutory standards and reissued the €2.73 million fine.

Our enforcement of well-known firms operating on markets direct relevant to consumers has contributed to competition advocacy; media references have doubled. We want to continue this trend.

We launched regional competition roadshows for the private and public sector. We twice participated in advocacy we organised ourselves and with others. We clarified filing procedures, presenting for public consultation new draft rules.

- Bid-rigging in the construction sector: the authority issued an infringement decision against five construction companies which had rigged bids in procurement tenders; and
- *Maxima/Mantinga*: the authority fined a food retailer and frozen bakery supplier €16.8 million and €4.4 million for a 10-year resale price maintenance cartel. We sent a statement of objections (SO) to parties in a suspected cogeneration power projects cartel.

Merger control

It fined Lukoil Baltija €3.42 million for non-notified mergers and ordered the company to eliminate the breach; fined Gazprom €35.65 million for failing to comply with merger conditions by hindering Lithuanian buyers from obtaining alternative natural gas; cleared two mergers with remedies on competition in insurance and alcohol markets; issued three infringement decisions and one statement of objections in household waste sector against municipalities. Municipalities were found to have favoured their own companies by choosing them as service providers without a competitive selection procedure; it also found Vilnius City Municipality discriminated against other taxi market participants in favour of its own service.

Litigation

In April the court approved the decision that the Lithuanian Shipbrokers and Agents Association and 32 association members entered into an anti-competitive agreement on minimum tariffs for shipping agency services. Fines imposed on some were reduced but the court upheld the authority's position on the anti-competitive behaviour. In June, it decided to fine oil Lukoil Baltija for implementing non-notified mergers, upheld by the court.

Advocacy

Media coverage of the authority's decisions doubled from 2013, op-eds by its experts on media increased from two in 2013 to 12 in 2014. It organised 18 seminars or training for business associations, public bodies and lawyers. The Baltic Competition Conference was the first ever conference in Lithuania on economic analysis in competition. It had 180 participants from seven countries and Richard Whish delivered the keynote speech. The authority launched a mobile application on state aid and bid rigging.

Appeals success

Nineteen decisions were appealed; nine upheld by courts in 2014; two partly amended; three annulled; three terminated.