

## Interview with the Chairperson of the Competition Council of the Republic of Moldova



**Marcel Răducan**  
Chairperson of the  
Competition Council

### What are the main challenges that your authority is facing? What are your priorities for the near future?

2020 has been marked by a new challenge - the COVID-19 pandemic that has affected economies and competitive policies around the world. This crisis has led to increased accountability on the part of competition authorities, in particular as regards price monitoring, but also the application of competition rules so as to ensure the well-being of consumers and that prices do not become excessively expensive. This experience has brought to light a number of legislative gaps and has clarified the need to revise existing regulations and policies in the field of competition and state aid.

Another challenge is the Competition Law amendment. According to Directive No. 1/2019 of the European Parliament and the Council of the European Union, it has been entrusted to EU Member States and associated countries to amend competition law. We have a joint project with the World Bank, which has already started. The team of international experts with whom we will work has been contracted and work has already begun. One thing is for certain: 2020 will be a crucial year for us, in one way or another.

As far as our daily work is concerned, our priority remains ensuring that our work continues to benefit consumers and businesses, with whom we work or who are part of our work.

Our main goals for 2020 are to successfully strengthen the Council's team, to attract high quality candidates to work at the authority, to effectively address the challenges we face and, at the same time, to be equidistant in terms of political influence.

At the same time, 2020 is the last year of implementation of the National Competition and State Aid Program, approved by Law 169/2017. We have high expectations in relation to this program, which in order to be effective requires the involved authorities to embrace their responsibilities and fulfill their commitments. From an economic point of view, the elaboration and implementation of this document derive from the need to open economic sectors to competition and increase the level of transparency and accessibility of markets, with the aim of ensuring the efficient use of public resources to increase consumer welfare - the basic objective of our authority.

We are currently working on the development of two important strategies. While a lot depends on how things progress in relation to the legislation amendment under the Directive, of greatest importance is the development and maintenance of medium and long-term active dialogue with development partners and international organisations.

In addition to the above, this year we were especially honoured to be selected, for the first time, as the host institution of the international regional seminar, under the auspices of the Regional Competition Centre in Budapest, Hungary (RCC OECD-GVH), which is foreseen to take place in Chisinau, on the topic: Evaluation of abusive behaviour by dominant players.

We are convinced that this regional seminar will play a vital role in the strengthening of existing relations and in the sharing of experiences, both of which are especially important in times of the COVID-19 pandemic.

### What are the points of strength and of weakness of your authority?

Although the Competition Council is a relatively young authority, having only been established in 2007, it has been able to achieve tangible results through its work. We are proud to have legislation in the domain of competition and state aid that fully transposes the provisions of the EU Acquis in the domain.

Furthermore, we were able to implement, with the support of the World Bank, in 2014 - the information system "Register of State Aid in Moldova" (SIRASM). This pilot project, which was unique in the region for that period, is presently, taking into account relevant evolutions and technological developments, in the final stages of being modernised and developed.

This State Aid Register contributes to the establishment of a state aid monitoring system, as well as to the creation of the necessary conditions for the implementation of a monitoring mechanism of the state aid impact on the competitive environment.

In the same vein, we have managed to form and strengthen our reputation as European experience donor in the competition and state aid domain, by organizing regional seminars for Eastern Partnership countries, by participating in various international events with various presentations and speeches, by advising competition authorities.

On the other hand, we face a lack of financial independence, in the sense that the Competition Council is financed from the state budget and is therefore subject to the limitations set out in the annual budget law when it comes to approved budgetary allocations.

Another challenge we face is our staff turnover rate, which leads to a shortage of qualified staff in the field. This is largely a result of insufficient financial means, which in turn makes it impossible to adequately remunerate qualified specialists.

## What is the level of competition awareness in your country? Do policy-makers consider competition issues? Is competition compliance a significant concern for businesses?

One of the main responsibilities of the Competition Council is to promote a competitive culture. In this regard, over the years we have carried out a comprehensive campaign to raise awareness of competition and state aid, involving discussions and debates with various target groups about the competitive issues they may face in the economic sectors in which they operate. We have experienced tangible results due to these efforts. For example, in 2020 the number of suppliers who reported the support measures offered to undertakings increased by approximately 3 times the amount reported in 2015 (the first year in which state aid could be reported after the entry into force of Law no. 139/2012 on state aid), and by 4.43 times the amount reported in 2018.

In 2017, the Parliament of the Republic of Moldova approved the National Competition and State Aid Program. The general objective of the Program is the development of a fair competitive environment by opening the economic sectors to competition and ensuring the efficient monitoring of state aid. All specialised central public authorities, local public administration authorities and authorities with regulatory and control functions, are responsible, within the limits of their competence, for the implementation of the provisions contained within the Program. While we work closely with these authorities to raise awareness, there remains a low level of competition awareness.

However, the greatest problem that the Authority continues to face is convincing the general public and, in particular, politicians that the institution is independent. As far as this issue is concerned, I am confident that serious progress has been made. In particular, we have established excellent cooperation with the Parliamentary Commission on Economy, Budget and Finance, being the commission to which we report and one of the most important parliamentary commissions, which has supported us on numerous difficult occasions. We have managed to work together in order to provide the necessary information, according to the legislation; furthermore, we have collaborated on the legal framework and we will continue to do so in relation to the development of the legislative framework.

## If you could make one major change to your national competition law tomorrow, what would it be?

Task number one for us this year is to amend the Competition Law in accordance with the provisions of Directive no.1 / 2019. This will result in greater autonomy for the Competition Council, the extension of the rights of the Council, and the introduction of broader rights, which will enable the authority to investigate complex cases. When I speak of broader rights, I am referring to the possibility of accumulating evidence in a special regime, of having full competence and various tools to investigate and prove any competition infringement. As far as full competence is concerned, this needs to be appropriate to meet the challenges of law enforcement in the digital environment.

## Do you find that international and regional cooperation is helpful? Is it working well?

In an era of rapidly progressing globalisation, cooperation between the Competition Council and international authorities is of utmost importance. Illegal practices and competition issues exist in all states, which is why the exchange of experience, communication, joint participation in projects, development and diversification of international relations are essential in achieving the objectives of increasing market attractiveness, investment, innovation and strengthening economic competitiveness.

The importance and usefulness of international cooperation between authorities is especially evident when it comes to the digital economy, which has resulted in the creation of new business models, new rules and novel behaviours of economic agents. Competition is one of the indispensable aspects of the digital economy, as long as firms often operates outside national jurisdictions, and the relevant market may be the entire globe. Thus, the investigations carried out by competition authorities also become transnational and their proper execution can only be ensured through close cooperation and collaboration.

## What is your opinion about the OECD-GVH Regional Centre for Competition? Do you have suggestions for improvement?

The Regional Competition Centre in Budapest plays a crucial role in shaping competition policies, but also in strengthening the institutional capacities of the beneficiary authorities. Throughout its existence, the OECD-GVH RCC has managed to strengthen its role as a disseminator of the latest trends and techniques in the domain and as a sustainable platform for the exchange of experiences and the establishment of cooperative relations between the participating competition authorities.

Thanks to the support provided by the Centre, the beneficiary authorities have not only been able to benefit from the unique experience of experts and international best practices in the field of competition policy and advocacy, but have also been able to successfully apply them in their work.

We would particularly like to mention the very effective way in which workshops are organised and structured, employing a combination of theoretical and practical panels and the presentation of the beneficiary authorities' case studies.

Furthermore, the Centre plays an important role in ensuring the continuity of professional development through the provision of informational materials on its website, which constitutes one of the main sources of information and training for the employees of the Competition Council.

In order to further enhance the dissemination of the quality training provided by the Centre we would propose the video recording of the seminars and/or their on-line transmission. This would provide an opportunity to significantly expand the number of individuals able to benefit from the Centre's training. The proposal comes in the context of the staff turnover issue faced by most competition authorities. In this sense, increased access to the discourses and explanations of experts on various

*competitive topics will ensure the continuity of the professional training of employees and will vitally contribute to the achievement of tangible results, in terms of better quality and more efficient investigations.*

I would like to conclude by acknowledging the challenges faced by all competition authorities as a result of the COVID-19 pandemic. Authorities have not only been forced to reevaluate their activities and the way in which they manage

their investigations, but have also been required to engage in bilateral and multilateral cooperation at the international level. At the same time, this pandemic has strengthened our cooperative efforts with the aim of effectively dealing with the extraordinary problems and circumstances arising from the pandemic. In this sense, we are convinced that this unique, joint experience will serve to further strengthen and enhance existing relations between our institutions.

