



Egyptian Competition Authority

Annual Report

2006-2007

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Message from the Chairperson

In line with the Egyptian Competition Authority's strategic role in creating a competitive environment and disseminating competition culture in the society, I am honored to introduce the ECA's first annual report which presents the activities of the Authority since its establishment and until end of 2007.



During this period, ECA has worked on several fundamental pillars to implement the Egyptian Competition Law. First, we concentrated on the careful choice of technical staff, intensive training activities, and enriching knowledge by learning from the experiences of competition authorities in other countries. The technical assistance received and exposure to best practices helped our technical staff understand the Law and increased their efficiency in conducting the researches and studies necessary for the cases that largely affect the economic activity in the market.

The second pillar of the ECA's work was to examine the complaints submitted by individuals and by various entities to detect illegal practices. In addition, where suspicions of anti-competition activities were raised in any economic sector, the ECA took the initiative to conduct studies and researches and also upon the request of the competent minister. Moreover, the ECA offered advisory opinion for certain government entities in issues related to the Competition Law.

However, as the Law is new for those engaged in the market, ECA has paid a lot of attention to the third pillar; namely raising awareness about the provisions of the law and disseminating competition culture in the society. The Authority launched a website that includes all the information related to the Law and how to submit complaints about monopolistic and anti-competition practices in the marketplace. It has also published decisions by the Board. The ECA has put into action a media and awareness plan that included the coordination with various mass media, determining the sectors targeted by the Law, and holding seminars, conferences, and workshops to inform people about the Law.

We have a difficult, yet not impossible mission to embark on during the upcoming stage. The authority undertakes a huge responsibility to monitor the marketplace, detect anti-competition practices in various sectors, and create a healthy competitive environment. This is only accomplished through the commitment of individuals and various entities towards the provisions of the Law, the ECA should provide best practices in training matters for its technical staff to accomplish its required goals efficiently and as fast as possible, and the Competition Law must be constantly revised and modifications be duly recommended as necessitated by practice.

It is noteworthy that the increase in prices has become a major problem in the marketplace. Though price is not directly addressed by the Competition Law, it can, however, indicate practices that violate the Law. The Competition Authority cannot confront all harmful practices at the same time, but priorities are determined by sensing the problems in the marketplace. The expected positive outcome of ECA's decisions and recommendations may not be tangible on the short run because they are part of a larger economic system that needs time in order for various market powers to interact and allow this outcome to reflect on the national economy.

The ECA's Board is totally conscious of the mission it is entrusted with and the decision-making responsibility it assumes. The diverse backgrounds of the Board members enrich discussions and ensure complete neutrality in its decisions.

At the end, I hope that reading this report will nurture the relations between ECA, active market players, and those interested in market performance in order to achieve more transparency and commitment to the provisions of the Law.

Message from the Executive Director

The Egyptian Competition Law aims at ensuring that economic activities are carried out freely by all market players and that the market place offers an enabling framework for everyone to achieve his/her goal. This aim can be achieved only if equal opportunities were given to every person doing business in the market. The criterion for staying in/out of business should be economic efficiency and ability to satisfy consumers in terms of quality and competitive prices of goods and services in the market.



This Law is implemented by the Egyptian Competition Authority (ECA) which has a distinguished team of legal and economic researchers, IT specialists, Media and Awareness officers, and supportive administrative staff. The ECA provides its staff with both in-house and overseas training to best ensure work efficiency in accordance with the best criteria in this area.

The role of ECA is not restricted to examining complaints and performing studies and researches to detect anti-competitive practices, but we also create and maintain the competition culture in the society and inform the public about the provisions of the Law in order to ensure market development and discipline through commitment and self compliance with the provisions of the Law.

Despite the fact that ECA is still commencing its activity, it is making steady strides toward the objectives for which it was established while sticking to a number of performance standards the most important of which are neutrality, transparency, independence, and professionalism.

The Authority and all the staff hope to constantly communicate with all market players on the basis of trust and cooperation in order to serve the Egyptian economic activity.

Board of Directors

The Authority's Board of Directors consists of fifteen members:

1. Full-time Chairperson with commendable background
2. A Counselor from the State Council, holding a vice-president's rank, to be nominated by the President of the State Council
3. Four members representing the relevant ministries to be nominated by their Ministers.
4. Three specialists/experts.
5. Six members representing the General Federation of the Chambers of Commerce, the Egyptian Federation of Industries, the Banking Federation, the General Federation for Civil Associations, the General Federation for Consumer Protection and the Egyptian General Union of Labour. Each Federation/Union shall choose its own representative.

The Law provides that the Board's mandate shall be four years, renewable for one term. The Board shall meet upon the invitation of its Chairperson at least once every month and when necessary. The meetings shall be valid with a quorum of ten members and its decisions passed with the majority of votes of its members. A Board member shall not be eligible to take part in the deliberations or voting with regard to a case under the consideration of the Board, which he is believed to have interest in, or in case he happens to be a relative up to the fourth degree of any of the parties involved, or should he have represented or represents any party to the case. The Board may invite to its meetings experts when their assistance is necessary, with no eligibility to vote.

The Prime Minister issued Decree 1342/2005 forming the ECA's Board of Directors as follows:

Mrs. Mona Yassine

Chairperson of the Egyptian Competition Authority

Board members:

Counselor Farahat Abdelazim Abdelgawad

Deputy Chief Justice of the Council of State

Dr. Samiha El Sayed Fawzi

First Assistant Minister, Ministry of Trade and Industry

Dr. Ziad Bahaa El Din

Chairman, General Authority for Investment and Free Zones, Ministry of Investment¹

¹ Mr. Assem Ragab, Chairman of the General Authority for Investment and Free Zones, joined the Board as of January 2008 in place of Dr. Ziad Bahaa El Din.

Mr. Hany Kadry

Assistant, Minister of Finance

Dr. Mustafa Abdelghaffar

Representing the Ministry of Supply and Internal Trade²

Mr. Abdel Hamid Ibrahim

Senior Financial Advisor for Minister of Investment, Expert

Dr. Hanaa Kheir El Din

Professor of Economics and Political Science Department, Cairo University, Expert

Counselor Hossam Mohamed El Dakrouri

Advisor to the Minister of Foreign Trade and Industry, Expert

Mr. Mounir Fakhry Abdel Nour

Representing The Federation of Egyptian Industries³

Mr. Mohamed Abdel Fattah El Masry

Chairman of the Egyptian Chambers of Commerce

Dr. Jannat El Samalouty

Representing the General Federation for NGOs

Mr. Hussein Kassem Megawer

Chairman, the General Federation for Egyptian Labors Union

Mr. Aly Abdel Aziz Fayez

Representing the Federation of Egyptian Banks

Dr. Anwar Ahmed Raslan

Representing the General Federation for Consumer Protection

* The Law provides that the Authority shall have in office a full-time Executive Director whose appointment, remuneration and functions shall be decreed by the Competent Minister upon the recommendation of the Chairman of the Authority:

Prime Ministerial Decree 20/2006 appointed Dr. Khaled Hamdy Abdelaziz Attia as the Executive Director of the Egyptian Competition Authority. The Executive Director represents the Authority before courts and third parties and attends Board meetings but has no voting power.

² Counselor Hesham Ragab, Advisor to the Minister of Trade and Industry, joined the Board as of August 2006 in place of Dr. Mustafa Abdelghaffar.

³ Dr. Ahmed Fekry Abdelwahhab, representing the Federation of the Egyptian Industries, , joined the Board as of October 2007 in place of **Mr. Mounir Fakhry Abdel Nour**.

Important Terms in the Law

Understanding the terms and expressions of the Law and its Executive Regulations is necessary for the best implementation of the Law. Unified use of phrases and terms prevents discrepancy in personal interpretation by staff members and sets standards and criteria according to which the ECA shall implement its work.

In addition, unifying terms and expressions is a guarantee for people who deal with ECA , as it leaves no space for differences in interpretation from an employee to another within the ECA, thus ensuring transparency and clarity in handling the cases being examined by the Authority.

1. Persons

Article 2(a) of the Law defines persons as natural and legal persons, economic entities, unions, financial associations and groupings, groups of persons, whatever their means of incorporation are, and other related parties as per the manner set forth in the Executive Regulations.

Article 5 of the Executive Regulations defines related parties as the parties that are composed of two or more persons, each of them has an independent legal personality, with the majority of shares or quotas of one party owned, directly or indirectly, to the other party or exclusively owned to one party. In addition, related parties are also the person or persons subject to the effective control of another person. Effective control means any and all arrangements, agreements or ownerships of shares or quotas regardless of its percentage, in a manner that is conducive to management control or decision-taking.

In this regard, it is worth mentioning that all natural persons and legal entities are subject to the provisions of the Law so long as they have practiced economic activity in the marketplace. This applies to all types of companies including those completely owned by the State, such as public sector companies. Only state-run public utilities are exempted from the provisions of the Law. Companies subject to the provisions of the private law that operate a public utility may be exempted from the provisions of the Law upon a request that shall be submitted to the Authority. Such exemption should ensure public benefit or generate interests for consumers that exceed the negative effects of restraining competition.

2. Products

Article 2(b) of the Law defines products as goods and services. The definition of products was made generic to encompass all local/foreign goods and services. In this regard, it is worth mentioning that Article 10 of the Law provides that the Cabinet of Ministers may, after taking the opinion of the Authority, issue a decree determining the selling price of one or more essential products for a specific period of time. Agreements

concluded by the government to implement the determined prices of these essential commodities shall be exempted from the provisions of the Law.

3. Relevant market

Article 3 of the Law provides that “the relevant market as far as the application of the provisions of this Law is concerned, is built around two elements, namely, the relevant product and the geographic area.”

a) Relevant product

The Executive Regulations explain that these are the products considered from the consumers' point of view, as practical and objective substitutes to each other. Along this line, any of the following standards shall particularly be taken into consideration:

- 1- Product similarity in terms of characteristics and usage.
- 2- The prospect of buyers shifting from a certain product to another as a result of the relative change in prices or in other competition-related factors.
- 3- If the sellers take their trade-based decisions on the basis of the buyers' shift from particular products to others as a result of relative change in prices or in relation to other factors of competition.
- 4- Smooth access by the other persons to the product's market.
- 5- The availability of substitute products before the consumer.

b) Geographical Area

When determining the geographical area, the Authority should take into consideration the following standards that are set in the Executive Regulations:

1. The ability of purchasers to move between geographical areas as a result of relative changes in prices or in relation to other factors of competition.
2. Whether sellers take their trade-based decisions according to the movement of buyers between different geographical areas as a result of relative changes in prices or in relation to other factors of competition.
3. Smooth access by other persons to market.
4. Transportation costs between geographical areas, including insurance cost and time period required to provide the subject geographical area with products from other markets or geographical areas or from abroad.
5. Custom tariffs and non-tariff barriers at the domestic and foreign levels.

c) Duration

The market share of the person subject to examination shall be evaluated within a certain period to be determined by the Authority in light of the submitted complaint, or if the Authority took the initiative

to conduct studies and researches necessary to detect anti-competitive cases.

4. Dominance

The Law defined Dominance of the relevant market in Article 4 as “the ability of the subject person with a share exceeding 25% of the total market to have an effective impact on prices or on the volume of supply, without its competitors having the capacity to curtail this competition. The Authority shall specify cases of dominance in conformity with procedures provided for in the Executive Regulations of this Law.”

This means that the Competition Authority is the agency in charge of determining the cases of market dominance, while bearing in mind the elements provided for in the Law and the Executive Regulations, by researching each case separately to prove/disprove market control. Article 7 of the Executive Regulations sets forth three elements that should be available to prove dominance:

1. The person's market share to be above 25% of the product market. The calculation of this share shall be made according to the two elements of that market, namely, the subject products and the geographical area for a certain period of time.
2. Ability of a person to exercise an effective impact on the products' prices or on their volume of supply in the relevant market.
3. The inability of the person's competitors to limit its effective impact on the prices or on their volume of supply in the relevant market.

Dominance exists only if all three elements are available, any missing element would prove that the person is not in a dominant position. It is note worthy that even if all the abovementioned dominance elements exist, violation of the Law can only be established if the dominant person committed one of the violations enumerated in Article 8 of the Law.

Section 1

Overview on the Egyptian Competition Law

The Egyptian Competition Law was promulgated by Law 3/2005 on February 15, 2005, and stipulated that it shall come into effect three months after its publication in the Official Gazette, i.e. May 16, 2005. The Executive Regulations were issued by virtue of Prime Ministerial Decree 1316/2005.

The Law aims to ensure that economic activity does not prevent, cripple, or harm freedom of competition, thus creating a competitive process within the framework of commitment to the provisions of the Law by all those doing business in the market. A key way to do so is for the ECA to receive, examine, and decide on notifications on illegal anti-competitive practices, in addition to the requests it receives from the government to conduct studies and provide Advisory opinion. The Authority can also initiate examination procedures on its own.

Basically, the Law handles the behavior of persons doing business in the market. A person's market share shouldn't constitute a violation unless one of the violations mentioned in the Law is committed. This corresponds with the very name of the Law, as it aims to prevent monopolistic practices, not monopoly.

The Law sets a number of rules that organize the economic activity of persons transacting in the market in general. This applies to Natural and legal persons, economic entities, unions, financial associations and groupings, and groups of persons, regardless of their means of incorporation.

The provisions of the Law shall apply to acts committed abroad and likely to result in the prevention, restriction or harm of the freedom of competition in Egypt and which constitute crimes under the Law. The provisions of this Law shall not apply to public utilities managed by the State and the agreements made by the governments to fix the price of one or more basic commodities upon a decree from the Cabinet of Ministers.

Prohibited Acts by the Law

The Law prohibits a number of acts that have negative impact on the economic activity, such as:

a) Agreements among competing persons in the relevant market (Article 6)

The Law prohibits certain agreements and contracts between competing persons in the subject market (horizontal relation). The Law has exhaustively listed these agreements and contracts:

- Increasing, decreasing, or fixing prices of sale or purchase of products subject matter of dealings.
- Dividing product markets according to geographic areas, distribution centers, type of customers, goods, or seasons or time periods.

- Coordination with regard to application to or refrain from tenders, biddings, or transactions as well as other procurement bids.
- Constraining production and distribution operations.

The Law considered horizontal agreements and contracts in themselves, not their outcome, as a violation (per se rule). What matters is proving the existence of a contract or an agreement, not the ensuing outcome.

b) Vertical agreements (Article 7)

The Law prohibits agreements and contracts between a person and any of its suppliers or clients (vertical relation) if such are likely to restrict competition. The Executive Regulations set the criteria that should be used by the Competition Authority to determine these agreements and contracts:

1. Effect of the given agreement or contract on the freedom of competition in the market.
2. Benefits accrued to the consumer by virtue of the subject agreement or contract.
3. Considerations relevant to the preservation of the quality of the product and its brand name, as well as its safety and security requirements.
4. Degree of compliance of the terms of agreement or contract with established commercial norms governing the activity subject to examination.

c) Abuse of Dominant Position (Article 8)

The Law prohibits any person with a dominant position on the relevant market from abusing this dominance. The person's dominance is clear if all the following three elements exist together:

- Market share should exceed 25% of the total relevant market.
- Should have the ability to impact the prices or the supply of the product in relevant market.
- His competitors do not have the ability to limit his activities in the relevant market.

The Law provides an exhaustive list of the acts that the dominant person is prohibited to do:

- Any act bound to result in non-manufacturing, or non-production or non-distribution of a product for a certain period of time.
- Refraining from entry into sale or purchase deals concerning a product with any Person or totally ceasing to deal with him in a manner that is apt to result in restricting its freedom to access or exit the market at any time.
- An act likely to limit the distribution of a specific product according to geographical areas, distribution centers, clients, or seasons or time periods among vertically related Persons.

- Setting as a condition for the conclusion of a sale of a good or a service the acceptance of the buyer to purchase goods or services that are irrelevant to the original transaction.
- Discriminating between sellers or buyers with similarities regarding trading positions either in respect of sale or purchase prices or as regards terms of the transaction in a manner that limits their ability to compete.
- Refrain from producing or providing a scarcely available product when its production or provision is economically possible.
- Mandating that the dominant person or his dealers decline to permit a competing person to have access to their utilities or services, despite their utilization is economically viable.
- Selling products at prices lower than their marginal cost or average variable cost.
- Obligating a supplier not to deal with a competitor.

The Executive Regulations sets all the restrictions and procedures that explain the meaning of each of these acts to enable the Authority to assume its role in examining them.

Penalties and conciliation

Any violation of the provisions of Articles 6, 7, or 8 of the Law shall be penalized by a fine of not less than thirty-thousand Egyptian pounds and not more than ten-million Egyptian pounds without prejudice to the civil responsibility for the damages resulting from committing any of the prohibited acts. The final conviction judgment shall be published in the Official Gazette and in two daily newspapers at the expense of the convict.

The person responsible for the effective management of the violating legal person shall be subject to the same penalties established for the acts committed in violation of the provisions of this Law, if proven cognizant thereof and his default on assuming the duties of his office as the responsible manager has contributed to the occurrence of the crime. The legal person shall be jointly liable for the payment of fines and damages ruled, if the violation has been committed by a staff member on behalf or in favor of the legal person.

The competent Minister or whoever is delegated thereby may conciliate with regard to any of these violations before a final judgment is issued in return for the payment of an amount not less than double the minimum fine but not exceeding double its maximum. The conciliation shall be considered a waiver of the criminal lawsuit filing request and shall result in the lapse of the criminal action relevant to the same case subject of suing.

Exemptions

Paragraph 2 of Article 9 of the Law provides that the Authority may, upon the request of persons concerned, exempt, from the above mentioned prohibition, all or some of the acts set forth in articles 6, 7 and 8 on public utilities managed by companies subject to Private Law where this lies in the public interest or for accruing benefits to the consumers that go beyond the implications of limited freedom of competition, in accordance with the regulations and procedures articulated in the Executive Regulation of this Law.

Mergers and acquisitions

Article 11/2 of the Law provides that persons shall notify the ECA upon their acquisition of assets, proprietary or rights of use, and shares, besides the establishment of unions, mergers, incorporations or joint management of two or more persons. Article 44 of the Executive Regulations also provides that the Authority shall receive notifications from persons within 30 days from the completion of the legal act. The Law, however, does not stipulate the Authority's former or subsequent approval of the merge or acquisition.

Section 2

Overview on the Egyptian Competition Authority

I. ECA General Policy

Mission of the ECA

To protect economic activity from practices that may prevent, restrict or harm freedom of competition in accordance with the Law and through effective implementation of the provisions thereof.

Vision of the ECA

The Authority endeavors to establish, develop, and update rules of free competition in Egypt by observing practices and transactions of persons doing business in the Egyptian market. The ECA aims to bring benefit to the national economy in general and welfare to the society.

Values and ethical standards held by ECA

Neutrality

The voting system of the ECA's Board ensures neutrality in addressing the cases under the consideration of the Authority. The Board consists of fifteen members. Its meetings shall be valid by a quorum of ten members, and its decisions passed by majority vote (eight members). A Board member shall not be eligible to take part in the deliberations or voting with regard to a case under the consideration of the Board, which he is believed to have interest in, or in case he happens to be a relative up to the fourth degree of any of the parties involved, or should he have represented or represents any party to the case.

Confidentiality

Article 16 of the Law includes three main provisions to ensure confidentiality:

1. The employees of the Authority are prohibited to disclose information or data submitted or circulated in relation to cases falling within the scope of this Law or to unfold their sources while in the process of examining the above mentioned cases, substantiating relevant procedures and issuing decisions thereon.
2. These information and data as well as their sources shall not be used for any purposes other than those for which they were submitted.
3. The employees of the Authority are prohibited for a period of two years from the end of their employment at ECA to work for Persons that were previously inspected or those subject to inspection during that time.

Transparency

In carrying out the tasks it is entrusted with, the ECA complies with the standards of transparency. The Law and the Executive Regulations have set a number of restrictions to guarantee transparency, these include:

1. Issuing periodicals containing decisions, recommendations, procedures and measures adopted and pursued by the Authority besides other matters relating to the Authority.
2. Preparing an annual report on the activities of the Authority and its future plans to be submitted to the Competent Minister, upon its approval by the Board of Director. A copy thereof shall be sent to the People's Assembly and the Shura Council.
3. The Executive Director shall notify the concerned person(s) of the Board's decisions regarding cases under consideration.

Professionalism

The ECA works on providing its staff with the appropriate work climate to ensure best performance and punctuality. For this end, the Authority looks for reputation and efficiency when selecting incumbents, and prepares an integrated local/overseas program to help its staff acquire the skills necessary to conduct a fair and accurate investigation and comprehensive report with appropriate evidence.

In return, ECA staff are committed in their work to accuracy and honesty and observe the necessities of their professional duties, whether in their internal dealings or in their interaction with persons or entities outside the ECA. The staff's performance is subjected to an effective supervisory system by senior management to ensure abidance by professional ethics.

II. ECA Work Mechanism and Decision Making Process

The Competition Law and its Executive Regulations has set a mechanism for the ECA's work and decision making process. The Law provides that the Authority's Board shall consist of fifteen members representing the various concerned authorities. The Board's decisions shall be rendered by majority vote. Upon certifying a breach of any of the provisions cited in the Law, the Authority shall order the violator to readjust the position thereof and redress the violation forthwith or within a period of time to be specified by the Board. A report shall also be submitted to the designate Minister to move the criminal claim against Law violators.

ECA competences as set forth in the Law

- Examine violating agreements and practices and take appropriate fair decisions according to evidence obtained.
- Prepare a database that includes the State's economic activity
- Take the procedures provided for under Article 20 of the Law⁴

⁴ Article 20 of the Law Upon certifying a breach of any of the provisions cited in Articles 6, 7 and 8 of this Law, the Authority shall order the violator to readjust his position and redress the violation forthwith or within a period of time to be specified by the Board; otherwise the subject agreement or contract in violation of Articles 6 and 7 of this Law shall be deemed null. The Board may issue a decision to stop banned practices immediately or after the lapse of the aforementioned time period without readjustment of status or redress for violation. The above shall apply without prejudice to the liability arising from such breaches.

- Give opinion on draft laws and regulations related to the regulation of competition
- Coordinating with its counterparts in other countries on matters of common interest
- Inform the public of the provisions of the Law and disseminate the competition culture
- Issue periodicals containing decisions, recommendations, and procedures adopted by the Authority
- Prepare an annual report on the activities of the Authority and its future plans

Examination of cases violating the Law

ECA-initiated examination

The Competition Authority may conduct the studies and researches necessary to detect anti-competitive agreements and practices and carry out the procedures of inquiry, inspection, and collection of information.

Complaints

Any Person may report to the Authority any and all breaches of the provisions of this Law.

Complaint examination steps according to Part 7 of the Executive Regulations

The complaint shall be submitted on the form made for this effect and shall be recorded in the Complaint Register. The complainant shall be given a receipt and a complaint recording date.

Complaints should be submitted to the Executive Director to verify completion of data and documents as provided for in Article 32 of the Executive Regulations, refer fulfilled complaints to a selected team, and notify the Chairperson accordingly.

The team would be headed by a team leader, their assignment include carrying out the procedures of inquiry, inspection, and collection of information regarding the complaints. Employees having judicial inspection capacity shall be entitled to pursue the following procedures after disclosing their identity to the concerned parties:

1. Reviewing records, documents and data in connection with any governmental or non-governmental entity for the purpose of examining cases submitted to the Authority.
2. Access, during official working hours, workplaces or headquarters of persons subject to inspection upon a written permission from the Executive Director. They may also have recourse to public authority officers if necessary.

3. Take the necessary evidence collection procedures for examination as well as interrogating any and all persons in connection with any and all violations of the Law.

The team shall, subsequent to the completion of the procedures of inquiry, inspection, and collection of information, submit an input report to the Executive Director of the Authority, who shall forward same to the Board accompanied by his own opinion at the first meeting following the submission to him of the abovementioned report.

Upon certifying the violation of any of the provisions stated in Articles 6, 7 and 8, the Board shall order the person in breach to adjust its position and redress the violation forthwith or within a period of time the Board shall specify. The report of the case under consideration shall be submitted to the competent Minister.

The Executive Director shall notify the concerned person(s) of the Board's decision regarding the complaint by registered mail.

It is noteworthy that a very important factor in achieving transparency and building trust between ECA and individuals is to find a simple way through which persons can submit requests for examination, research, and evidence collection concerning cases that are allegedly in violation of the Law. In this respect, the Authority has prepared a Complaint Form and another form for notifying the ECA about cases of merger, possession, or acquisition of assets, proprietary rights, or shares. These forms help facilitate dealings between individuals and the Authority and streamlines internal workflow. The forms can be collected from the ECA's headquarters or downloaded from its website www.eca.org.eg. They may be filled and submitted to the Authority without having to go through any other procedure.

Section 3

ECA's Activity in two years (2006-2007)

I. Training and Human Recourses Development

Establishing a strong authority that can carry out its tasks and assume its responsibilities in the area of preventing anti-competitive practices is one of the most important factors behind the success of the State's competition policy. The Authority's structure is based on two vital inter complementary pillars. The first pillar has to do with developing the administrative structure and providing the material resources necessary for work, and the second pillar is related to the human factor which will assume the competences of the Authority.

1. Institutional Resources Development

The Egyptian Competition Authority created its administrative structure, the bylaws, and recruitment/promotion rules. The Authority also established a suitable headquarters and furnished it with state-of-the-art technological equipment to help carry out the work as quickly and efficiently as required. Work methods at ECA are constantly updated to cope with changes and accomplish future goals.

2. Human Resources Development

ECA has successfully developed job descriptions for each position available at the Authority. Incumbents were selected according to their ability to perform their entrusted tasks in consistency with work requirements. Beside availability of necessary material resources for the staff use, a comprehensive and continuous training plan is developed for the staff to consistently improve work quality at the ECA.

Within the framework of its HRD plan, the Authority has been keen to participate in several local and overseas training programs. In addition, it has organized a number of study tours to foreign competition authorities to share relevant foreign experiences in the area of case examination, inquiry procedures, and conducting the studies and researches necessary for detecting anti-competitive practices. The ECA has also created a number of training programs to develop and advance the Authority's administrative and institutional work. Internal training has also included the visits of several US and EU consultants to share their experiences in examining the cases submitted to the Authority and explaining methods of legal and economic research and analysis.

Overseas training programs and study tours

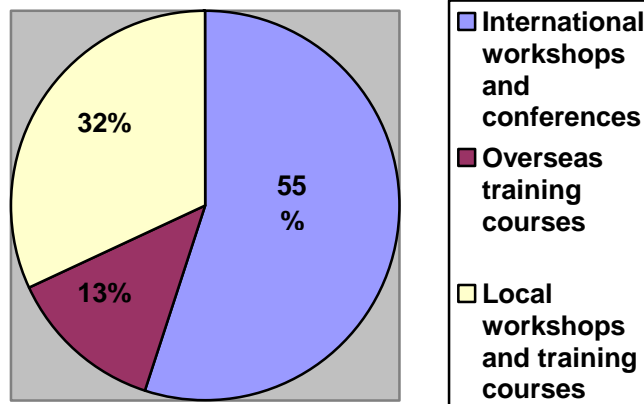
1. Study visit to the British Competition Commission
2. Study visit to the Swiss Competition Commission
3. Two training courses in cooperation with the Korean International Cooperation Agency in South Korea

Local training programs

1. Training courses in cooperation with the Commercial Law Development Program of the United States Department of Commerce
2. Training courses in cooperation with the United States Agency for International Development (USAID)
3. Training courses in cooperation with the European Union
4. Training courses in cooperation with the International Development Law Organization

The following table shows the workshops, training courses, and local/overseas conferences that have been held from September 2005 to the end of 2007.

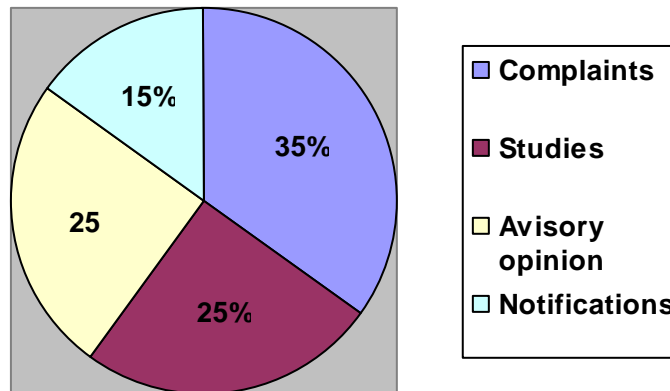
Event	Number
Local workshops and training courses	12
Overseas training courses	5
International workshops and conferences	21



II. Cases under examination

The following table shows the cases under examination, the completed cases, and the notifications.

Type of Case	Number of cases	Number of cases under examination	Number of decisions made after examination	Number of dismissed cases (no competence/notification)
Complaints	10	5	3	2
Studies	7	6	1	-
Advisory opinion	7	3	4	-
Notifications	4	-	-	4
Total	28	14	8	6



A) Complaints

The Egyptian Competition Authority has finished the examination of (5) cases, and (5) cases are still under examination.

First: the examined cases:

Complaint # 1
Filed by Awab Export Company
Vs.
Coca Cola Bottling and Manufacturing Company of Egypt
On June 20th, 2006

Subject of the Complaint:

Awab Import and Export Company Director filed a complaint against Coca Cola Bottling and Manufacturing Company of Egypt for buying and exporting Coca Cola Company products during the period from March 5th, 2005 to August 22nd, 2005. When he filed an application with the Ministry of Trade and Industry to receive the financial support provided by the Ministry to exporters, the Ministry required an export approval from the producing company. However, the complained-against company refused to give Awab the approval because he did not apply for that export approval in advance.

The complainant said that he has filed this complaint because he lost his right to the Ministry of Trade's financial support, and lost his chance to export.

Examination of the Complaint:

The Authority examined the complaint in light of the Competition Law and Exportation Ministerial Decrees, beside meeting the complainant to discuss the main issues behind filing the case and to obtain more information. The complainant did not submit any documents supporting anti-competitive practices by the complained against company. In addition, the initial examination conducted by the Authority did not detect any violation of the law.

The Authority's Decision:

Case was closed as the complaint does not fall under the provisions of the competition law.

Complaint # 2
Filed by Egypt Chemicals Co.
Vs.
Trust Chemicals Co.
On June 26th, 2006

Subject of the Complaint:

Egypt Chemicals filed a complaint against Trust Chemicals because the latter sells liquid chlorine and sodium hypochlorite hydrochloride acid (products subject of the complaint) at a price lower than cost. This made the complainant suffer damages and financial losses.

Examination of the Complaint:

The Authority examined the complaint to make sure that it falls under its provision, then it determined the relevant market with its two elements; the relevant product and the geographical area. The Authority further examined the complaint by addressing the companies operating in the relevant market, and obtained the required data and information.

The Authority made many interviews with the representatives of the complainant to explain the complaint content and the details of the submitted documents. The Authority also made many interviews with the representatives of the complained against company at the Authority headquarters, in addition to visiting the headquarters of that company many times to review the costs list of the products subject of the complaint, compare them with the selling prices, review the concluded contracts and review the selling receipts thereof.

The Authority's Decision :

On its session that was held on March 6th, 2007, the ECA's Board of Directors concluded that the complained against company has the dominance over the relevant market. However, the examination did not reveal that the company is selling the products, subject of the complaint, at prices lower than their actual or average variable costs. Therefore, the company has not violated Article (8/h) of the Competition Law.

Complaint # 3
Filed by Security and Network Services Company (SNS)
Vs.
a Decision by the Chairperson of the Capital Market Authority
Board of Directors # 50 of 2006
On January 17th, 2007

Subject of the Complaint:

The Chairperson of SNS Board of Directors filed a complaint with the Authority against Decision no. (50) of 2006 by the Chairperson of the Capital Market Authority Board of Directors (regarding on-line securities circulation), as this harmed the freedom of competition and prejudiced the equality principle among the information companies, especially those with e-signature services license, as follows:

- The decision stipulates the amendment of PKI services, which are related to the communication security, and constitute the basic system for the e-signature services. Such services can be provided by any company with a license under E-Signature Law no. (15) of 2004.
- In Item (3), Article (2) of the Decision, SNS is required to submit a certificate from Egypt Clearinghouse (which is one of four companies permitted to provide e-signature services) stating that the broker companies fulfill items 1 and 2. This, in turn, makes Egypt Clearinghouse a controller and a service provider at the same time.

Examination of the Complaint:

The Authority examined the complaint to check that it has fulfilled the requirements set under the Executive Regulations, and also checked whether the subject of the complaint falls within the provisions of the law article (11). The Authority reviewed the E-Signature Law and Executive Regulations, in addition to all the capital market-related laws and decisions that govern the parties to the complaint.

The Authority's Decision:

In its session on April 15th, 2008, the ECA's Board of Directors decided that the subject of the complaint is mainly related to the Administrative Decision no. (50) of 2006, which was issued by the President of the Capital Market Authority, and which was stipulated to be appealed against before the Ministry Appeals Committee according to Article (51) of Law (95) of 1992. Besides, the documents attached to the complaint did not refer to any monopolistic practices on part of the complained against company. Therefore, the Authority is not competent to examine the subject of the complaint.

Complaint # 4
Filed by Hima Plastics Company
Vs.
GSE Company
On January 11th, 2007

Subject of the Complaint:

Hima Plastics Co. (Hima Foam) Chairperson of the Board of Directors filed a complaint with the Authority with supporting documents attached thereto. The complaint states that the Company entered into a contract with GSE Co. in 2003 that includes non-competition clauses between both companies regarding the production and marketing of certain products. After the Competition Law was issued in 2005, there were concerns that the provisions of the said contract may constitute violation of the Law. Hence, the Chairperson filed this complaint to check the legal position of the company vis-à-vis the competition law.

Examination of the Complaint:

The Authority examined the complaint to check that it has fulfilled all the required data, and accepted it in terms of formalities. Then, the Authority examined the subject of the complaint, and whether it falls within the provisions of the law or not. As this was established, the Authority proceeded with the investigation.

The relevant market was determined together with its two components; the relevant product and the geographical area. The relevant product was found to be the products subject of the contract, while the geographical area was Egypt.

For the purpose of determining whether this is a violation of Article (6) of the Law and how to prove it, the Authority held some interviews with the parties to the contract to get the necessary data and information and to know the conditions of the agreement. Both parties were very cooperative in terms of providing the Authority with all the required documents, as they both desired adherence to the Law, although the contract was made earlier than the enforcement of the Competition Law.

The Authority's Decision:

The ECA reported that the non-competition provisions between the parties were invalid, as they constitute a violation of Article (6 (B, D)) of the Law.

On, April 15th, 2007, the Board of Directors approved the Authority's report. According to Article (20) of the Law, the Authority took a decision whereby the parties have to suspend the conditions restricting competition, and each company is to produce and market the products restricted by the contract. The Authority received written confirmation from both companies stating that they abide by the Authority's decision.

Complaint # 5
Filed by: Egyptian Barcode Development & Auto ID Association
Vs.
EAN Egypt
On February 1st, 2007

Subject of the Complaint:

The Egyptian Barcode Development and Auto ID Association filed a complaint with the Authority against EAN Egypt, stating that EAN Egypt has manipulated and exaggerated the barcode costs, and has misrepresented European Barcode Association in Egypt.

Examination of the Complaint:

The Authority examined the complaint in light of the provisions of the Competition Law. A meeting was held with the complainant to clarify the complaint content and explain the details of the submitted documents. Also, a meeting was held with EAN Egypt representatives to recognize the barcode product and how to get it. The company representatives added that there are many types of barcode, the most famous of which are EAN and UPC, where the first is used in exportation to Europe, and EAN Egypt is the sole representative of the European Barcode Association.

The Authority's Decision:

A decision was made by the Board of Directors during its session on May 27th, 2007 stating that there is no violation of Competition Law on part of the accused company, and the fact that whether EAN Egypt misrepresents the European Barcode Association or not does not fall into the provisions of the competition law.

Second: the cases under examination:

Complaint # 1
Filed by a Tobacco Company
Vs.
a Competing Company
On March 6th, 2007

Subject of the Complaint :

A tobacco company filed a complaint against a competing company because the latter entered into exclusive agreements to distribute its products in Egypt, which harmed the distribution of the complainant's products.

Examination of the Complaint:

The Authority held meetings with the complainant's representatives to clarify the complaint content and explain the details of the submitted documents. It also held meetings with the accused company. The relevant market was determined together with its two components; the relevant product and the geographical area. The report was completed and presented to the board early 2008.

Complaint # 2
Filed by a Mining Company
Vs.
a Competing Company
On May 3rd, 2007

Subject of the Complaint:

A mining company filed a complaint claiming that there is a monopoly contract concerning a port, affiliated with the accused company, with another competing company, whereby no other company may ship its products from this port. The complainant pointed out that using other ports leads to the increase of the total costs. This, in turn, leads to losing export opportunities and makes it difficult to implement contracts with other companies.

Examination of the Complaint:

The Authority examined the complaint in light of the laws and regulations that govern specialized ports. Also, it held meetings with the representative of the complainant to clarify the complaint content and the possibility of exporting from different ports, in addition to other meetings with the accused company. Report to be completed and submitted to the Board early 2008.

Complaint # 3
Filed by a Chemicals Company
Vs. a Raw Material Producing Company
On June 14th, 2007

Subject of the Complaint:

The Authority received a complaint from a chemicals company concerning harm due to the fact that the industry sole raw material producers has entered into exclusive agreements with a number of companies whereby they get all the company's production of this raw material.

Examination of the Complaint:

The Authority examined the complaint to ensure that it is according to the provision of Article (11) of the Competition Law. The Authority determined the relevant market with its two components; the relevant product and the geographical area. Many meetings were held with the companies operating in the relevant market. The Authority gathered the information and data necessary for the investigation. Currently, the data collected from the companies are being analyzed to draft the final report to be submitted to the Board of Directors.

Complaint # 4
Filed by a Chemicals Company
Vs. a Raw Material Producing Company
On October 24th, 2007

Subject of the Complaint:

A chemicals company filed a complaint against an intermediate raw material producing company, the product is used by the complainant as a production input, it complained that the company first increased the prices and then stopped the supply of the product, this caused damages to the complainant who had to increase the price this products.

Examination of the Complaint:

The Authority conducted a market study, and held meetings with a number of other companies, that use the accused company's product. The investigation is still in progress.

Complaint # 5
Filed by a Glass Company
Vs. a Raw Material Producing Company
On November 12th, 2007

Subject of the Complaint:

A glass products company filed a complaint against an intermediate material producing company because the latter entered into a sole distribution agreement with a group of persons whereby they obtain all the company's production. Hence, the company refuses to sell to the local market except through this group. Consequently, the sole distributor group increased the prices.

Examination of the Complaint:

The Authority held a number of meetings with governmental and non-governmental entities to collect the data required for the investigation. It is still in progress.

B) Studies

The Authority has conducted (6) studies; one of which was finalized whereas the other five are still in progress.

First: the studies conducted and completed:

A Request for Study # 1 **Minister of Trade and Industry** **July 16th, 2006**

Subject of the Study:

The Authority received a request from the Minister of Trade and Industry to conduct the studies and researches required in relation to the cement industry in the Egyptian market. The purpose is to detect any practices that are harmful to competition or are infringements to the articles of the Competition Law no. (3) of 2005.

Examination Procedures:

The Authority determined the relevant market with its two components; the relevant product, i.e. regular Portland cement, and the geographical area; Egypt, in addition to the study time schedule dates. Then the Authority conducted a market research and data collection from various sources. The Authority, in this respect, made use of many foreign experts' opinions to benefit from their experiences in similar cases.

After legally and economically analyzing the collected data, the Authority found that the companies producing regular Portland cement violate paragraphs (a) and (d) of Article (6) of the Competition Law. The outcome of the report was submitted to the Board of Directors to take the necessary decision in this regard.

Examination Outcome:

In its session on October 2nd, 2007, the Authority Board of Directors concluded that there is a violation of the provisions of paragraph (a) and (d) of Article (6) of the Competition Law. A report with the outcome and the recommendations was submitted to the competent Minister to enforce the powers granted to him under Article (21) of the Competition Law. On October 4th 2007, the Competent Minister referred the report and the attachments thereto to the public prosecution to start the investigation procedures.

Second: the studies still under examination:

A Request for Study # 1
By the Minister of Trade and Industry
July 16th, 2006

Subject of the Study:

The Authority received a request from the Minister of Trade and Industry to study and check the reasons behind the unjustified increase in the rebar iron prices, and whether this is due to a violation of any of the provisions of the Competition Law no. (3) of 2005.

Examination Procedures:

The request was studied to ensure that it falls within the provisions of the law as stipulated under Article (11) the article states that the Authority is vested with the power concerning the receipt of requests and applications for implementing procedures related to fact-finding and inquiry, collection of inferences as well as issuance of orders to fulfill these procedures regarding cases of anti-competitive agreements and practices, in addition to conducting studies and researches necessary to detect anti-competitive cases.

The Authority determined the relevant market with its two components; the relevant product, i.e. rebar iron with different lengths and sizes, and the geographical area; Egypt, in addition to the time schedule during the period from the date of enforcement of the Law up to receiving the request for study.

The Authority studied rebar iron industry structure in Egypt in terms of the number of factories, and the method of manufacturing in each factory, and the raw materials used in each manufacturing method. In doing so, all the available information, data, studies and researches on rebar iron in Egypt or internationally were reviewed.

The Authority held meetings with the representatives of many companies operating in the market in relation to rebar iron, including construction contracting companies, engineering consulting offices, rebar iron distribution companies, raw material supply companies (billet – scrap iron) in addition to rebar iron factories that are still under construction.

The report has yet to be completed for submission to the board.

A Request for Study # 2
A Study on the Authority's Own Initiative
May 16th, 2007

Subject of the Study:

The Egyptian Competition Authority took the initiative to conduct a study on an industry related to sugar industry, which is considered an intermediate substance necessary for yeast production, in addition to checking if there is any violation of the provisions of the Law.

Examination Procedures:

Examination is completed, and the report is being reviewed by the Board of Directors to make its decision.

A Request for Study # 3
A Study on the Authority's Own Initiative
May 20th, 2007

Subject of the Study:

The Egyptian Competition Authority took the initiative to conduct a study on the fertilizers market to check if the actions of the companies operating in the market constitute a violation to the Law.

Examination Procedures:

The team work agreed on the importance of examining the following points, as the Authority took a number of actions, the most important are:

- Determining the relevant market (types of fertilizers and how much they are considered substitutes/geographical area)
- Studying the local, import and export markets of the set products within the relevant market in terms of the operating companies, quantities and prices.
- The laws governing fertilizers export/import.
- Studying the fertilizers distribution network and the governing decrees.
- The reasons behind the fertilizers crisis (shortage), and the possibilities of any violation to the Competition Law.

The report is being finalized to be submitted to the Authority's Board of Directors.

A Request for Study # 4
By the Ministry of Trade and Industry
December 24th, 2007

Subject of the Study:

The Authority received a request from the Minister of Trade and Industry to conduct an overall study on the vegetable food oil market. This meant examining all the factors affecting the freedom of competition in this sector and finding out any obstacles or factors that limit them. Also to find out if there are any agreements that harm competition or any monopolistic practices by companies or establishments working in this field. A comprehensive report with recommended action is to be prepared and making the recommendations necessary for handling them.

Examination Procedures:

The Authority immediately took the actions necessary for examining and gathering information to complete the study without delay in light of the data available in the market and at the concerned governmental and non-governmental agencies.

A Request for Study # 5
By the Ministry of Trade and Industry
December 24th, 2007

Subject of the Study:

The Authority received a request from the Minister of Trade and Industry to conduct an overall study on the market structure regarding imported and manufactured red meat. This meant examining all the factors affecting the freedom of competition in this sector and finding out any obstacles or factors that limit them; finding out if there are any agreements that harm competition or any monopolistic practices by companies or establishments working in this field, and making the appropriate recommendations.

Examination Procedures:

The Authority immediately took the actions necessary for examining and gathering information to complete the study as soon as possible in light of the data available in the market and at the concerned governmental and non-governmental agencies.

A Request for Study # 6
By the Ministry of Trade and Industry
December 24th, 2007

Subject of the Study:

The Authority received a request from the Minister of Trade and Industry to conduct study on the milk and dairy products market. This means examining all the factors affecting the freedom of competition in this sector and finding out any obstacles or factors that limit them; finding out if there are any agreements that harm competition or any monopolistic practices by companies or establishments working in this field, and making the recommendations necessary for handling them.

Examination Procedures:

The Authority immediately took the actions necessary for examining and gathering information to complete the study as soon as possible in light of the data available in the market and at the concerned governmental and non-governmental agencies.

C) Advisory Opinions

The Authority received seven requests to give advisory opinions. Four were completed, whereas three are still under examination.

First: finalized cases on Advisory opinions:

A Request for Advisory Opinion # 1 **By the Ministry of Trade and Industry** **February 1st, 2006**

Subject of the Request:

The Managing Director of the Egyptian Belgian Company for Industrial Investment in Egypt filed a request with the Ministry of Trade and Investment. The request stated that the Company suffered damages and losses because the complained-against company treated it differently than other competing companies in the market in terms of the price of supplying sugar can molasses, which is the main intermediate substance in yeast production. This action is endangering the company's investments in Egypt and may lead them to withdraw from the market.

The request was referred from the Ministry of Trade and Industry to the Egyptian Competition Authority to give its opinion in this respect in light of the provisions of the Competition Law issued by Law no. (3) of 2005.

Authority's Opinion :

On July 25th, 2006, the Board of Directors issued a decision, which was sent to the Ministry of Trade and Industry.

A Request for Advisory Opinion # 2 **By the Ministry of Trade and Industry** **January 28th, 2006**

Subject of the Request:

The Egyptian Competition Authority received the memorandum filed to H.E the Prime Minister by the Ministry of Trade and Industry and the Ministry of Housing, Utilities and Urban Development on the supply of chlorine and alum essential products purifying the drinking water and for the sanitary drainage sector. We are requested to find if there are practices or agreements by the companies operating in this field that may constitute a violation to the Competition Law.

Authority's Opinion:

On February 8th, 2006, the Board of Directors issued a decision which was sent to the Ministry of Trade and Industry.

A Request for Advisory Opinion # 3
By the Ministry of Investment
February 5th, 2006

Subject of the Request:

The Egyptian Competition Authority received a request from the Ministry of Investment on February 5th, 2006 to study the position of El-Nasr Mining Company in terms of its market share under the provisions of the Competition Law no. (3) of 2005.

Authority's Opinion:

On November 7th, 2006, the Board of Directors issued a decision which was sent to the Ministry of Investment.

A Request for Advisory Opinion # 4
By the Holding Company for Chemical Industries – Ministry of Investment
January 28th, 2006

Subject of the Request:

The Chairman of the Board of Directors of the Holding Company for Chemical Industries, affiliated with the Ministry of Investment, filed a request asking for the restrictions and conditions that should be taken into consideration while selling Sinai Magnesium Company, under the provisions of the Competition Law.

Authority's Opinion:

On July 25th, 2006, the Authority Board of Directors issued a decision which was sent to the Holding Company for Chemical Industries and the Ministry of Investment.

Second: the Advisory opinions under study:

A Request for Advisory Opinion # 1
By a Holding Company – Ministry of Investment
May 30th, 2007

Subject of the Request:

The Authority received a letter from one of the holding companies affiliated with the Ministry of Trade and Industry. The company is seeking the Authority's opinion on selling a subsidiary, that works in the field of transportation and whose capital is totally owned by the holding company, to a main investor, and if this is considered a violation of the provisions of the Competition Law or not.

Request Study Procedures:

The authority started investigating the filed request by identifying the relevant market with its 2 factors: relevant product and geographical area. Time frame for the case study is set according to the establishment of the Competition law and the date of receiving of the request. This is beside taking into consideration the time prior to the establishment of the law as a guiding period to conduct a correct legal and economic analysis.

A Request for Advisory Opinion # 2
By the Ministry of Investment
July 2nd, 2007

Subject of the Request:

The Ministry of Investment filed a request to the Authority to study the effect of selling the public funds share in a National food stuff-producing company, under the provisions of the Competition Law.

Request Study Procedures:

The authority started investigating the filed request by addressing the accused company requesting more information to detect the effect of this action.

A Request for Advisory Opinion # 3
By a Holding Company – Ministry of Investment
September 16th, 2007

Subject of the Request:

A holding company under the umbrella of the Ministry of Investment filed a request to study the position of a subsidiary specialized in iron and steel production, under the provisions of the Competition Law no. (3) of the year 2005 to detect the position of the company in question in case the government would like to privatize in lieu of the privatization program.

Request Study Procedures:

The authority started investigating the filed request by studying the persons and gathering information from different resources as well as conducting interviews with several companies in charge to identify the relevant market. The study is being finalized to be submitted to the Authority's Board of Directors to be sent to the entity that filed the request.

D) Notifications

1. Acquisition Notification submitted by Daewoo Securities SMBC Ltd., Sumitomo Mitsui Banking Corporation, Ocean Holding Ltd. for acquiring shares for voting in Sanyo Electric Ltd. on June 13th, 2006.
2. Merge Notification submitted by Expro International Group PLC regarding PowerWell Services Inc. to which Merger Sub Inc. was merged on August 8th, 2006.
3. Acquisition Notification submitted by El-Ezz Steel Rebar Company for acquiring the shares held by Ezz Industry and Investment Group (Ezz Industrial Group) on August 20th, 2006.
4. Acquisition Notification submitted by the Italian Bank San Paolo IMI for acquiring 80% of the shares of Bank of Alexandria on January 11th, 2007.

Third: Law Enforcement

All countries that adopted a competition law needed a mean to ensure efficiency and compliance with its provisions. Law enforcement is the cornerstone in evaluating how far the competition rules and regulations are applied in general.

- **What is meant by law enforcement:**

Law enforcement is totally different from what the Authority is tasked for, i.e. explaining and clarifying the provisions of the Law, promoting the competition culture, in addition to investigating complaints and taking decisions, this all falls under the Authority's jurisdiction.

However, law enforcement means two things: First, the ability to enforce the decisions taken by the Authority, and force law violators to respect them; Second, the ability to enforce the judgments issued by courts against law violators. In this respect, the Authority needs to coordinate with the other governmental agencies concerned with law enforcement, such as police, public prosecution and the judiciary.

A) Coordination with Ministry of Justice:

The law granted the Authority members, who are identified by virtue, of a decree by the Minister of Justice in agreement with the Competent Minister, the judicial inspection capacity to be able to perform their work in terms of examining the complaints, and conducting studies and researches to find out the anti-competition cases. In this respect, the Minister of Justice's decision no. (8483) of 2006 was issued to grant the Authority's staff the judicial inspection capacity. Article (38) of the Executive Regulations stipulated the terms of reference of the staff that have the judicial inspection capacity.

B) Coordination with the Public Prosecution:

The agreements and practices, which are carried out in violation to the Completion Law, are criminal offences and fined under the Law not less than thirty-thousand Egyptian pounds and not exceeding ten-million Egyptian pounds.

The criminal cases or any action taken to this effect may not be initiated except upon a written request from the competent Minister or whoever he delegates. Since the public prosecution is responsible for initiating the criminal case, the Authority coordinated with the office of the Attorney General to determine the competent prosecution responsible for investigating and deciding upon the competition cases. The Attorney General issued Periodical Book no. (9) of 2007, and the explaining memorandum, stating the jurisdiction of the commercial and financial affairs prosecution to investigate the competition-related cases. The book highlighted the importance of these cases; especially that investigation must be conducted by a Chief Prosecutor at least, and the Attorney General Office must be immediately informed of any complaint in this regard.

C) Coordination with the Ministry of Interior:

Article (38) of the Executive Regulations stipulates that the Authority staff, that have the judicial inspection capacity, may use the public authority personnel while taking the procedures of inquiry, inspection, and collection of information.

Within this framework, the Authority coordinated with the Ministry of Interior to determine the concerned department or administration within the Ministry to assist the Authority, this if the investigation requires the use of the public authority personnel to secure the Authority staff. The jurisdiction of the Public Administration for Supply and Internal Trade was determined in coordination with the Authority in this respect.

Fourth: the Authority's Activity in terms of raising awareness of the Law and promoting the competition culture in the Egyptian Society

Awareness is considered a main element in competition policy. Creating and raising awareness of free competition rules and the clear understanding of the provisions of the Law, besides spreading competition culture in the society helps to a great extent to avoid violating the Law.

In order to achieve fruitful results, there should be a clear identification of personnel and authorities to be addressed. Moreover, a highly technological awareness plan must be designed to appropriately suit all targeted groups. In this respect, the Authority undertook the following:

- **Establishing and updating a website:**

Establishing a website for the Authority is one of the most successful and fastest means of introducing the Authority together with its activities and jurisdiction, whether locally or internationally.

Since its establishment, the Authority started to create its on-line website. It continuously updates the website and uses it as a means of communication with those who seek to get further information on the Authority's work. In addition, the complaint and notification forms are available on the website to make things easier for the citizens. Besides, the website is the main means of publishing all the Authority's decisions on the cases under investigation.

- **Determining the target sectors for awareness:**

The awareness plan developed by the Authority depends on identifying the main entities targeted from the awareness campaign and introducing the Law. Promoting the competition culture is not a target in itself, but rather a means to make all the people respect voluntarily the provisions of the Law.

A number of entities that need to be addressed were identified, this includes ministries and governmental agencies, specially those responsible for the organization of certain economic sectors. In addition to private sector, business community, press, media, universities, academic institutes, research centers. Entities assisting in law enforcement such as the Ministries of Justice and Interior, civil society organizations including; Federations, Associations, Chambers of commerce and industry, such as Federation of Banks, Consumer Protection Authority, the Chambers of Commerce, and the Federation of industries.

Since these entities are equally important, an action plan was developed to include them all parallel to facilitate communicating with them in light of the Authority's priorities and available capabilities.

- **Developing an awareness plan**

The awareness plan, developed by the Authority, aims at promoting the competition culture among all parties addressed by the provisions of the Law as well as building trust between the Authority and those who deal with it, whether from the government or the private sector.

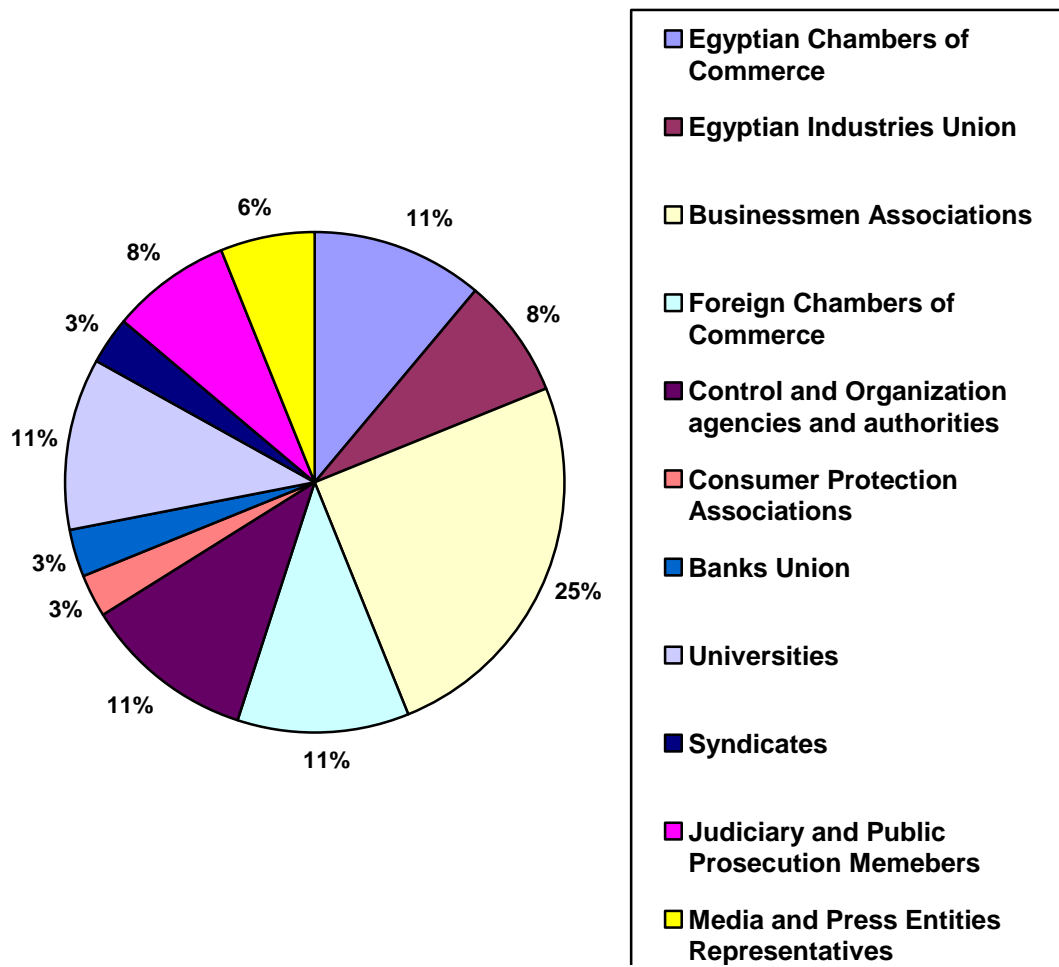
The communication methods differ according to the targeted person for awareness. The Authority depends on readable mass media such as booklets, newsletters, reports, press statements, Authority on-line website and CD's. It's also possible to depend on audio and visual means of communications such as conferences, seminars, workshops, radio and TV programs.

Over the past period, the Authority was working on achieving two targets. First, to reach the different entities concerned with competition – whether governmental or non-governmental – such as businessmen associations, Federation of the chambers of commerce, industries Federation, Federation of banks, and the regulatory authorities such as the Consumer Protection Authority, the National Telecom Regulatory Authority, the Egyptian Electric Utility, the Egyptian Insurance Supervisory Authority, and the General Authority for Investment. The second, to go out of Cairo to other geographical areas such as the seminars held in Alexandria, 10th of Ramadan City and 6th of October City. There is a plan to go to other governorates over the coming months.

In accordance with the awareness plan and the target entities, the Authority held a number of seminars and workshops to introduce the Competition Law, and explain its provisions to the targeted parties by virtue of the provisions of the law.

The following table states the entities targeted by the awareness plan over the past period:

Entity	No. of seminars and workshops
Egyptian Chamber of Commerce	4
Federation of Egyptian Industries	3
Businessmen Associations	9
Foreign Chambers of Commerce	4
Regulatory and Organization agencies authorities	4
Consumer Protection Authority	1
Federation of Banks	1
Universities	4
Syndicates	1
Public prosecutors and judiciary members	3
Media and press entities representatives	2
Total	36



Fifth: Foreign Relations and Cooperation Agreements

- **Coordination with Regulatory bodies:**

Many countries adopted the competition policy, and established authorities to be in charge of this policy a long time ago. In the United States, interested in adopting the competition rules started since the 19th century. Rome Agreement initializing the European Union, organized competition under some rules including Articles (81 and 82). In addition, many Eastern European countries went through economic transfer and reform phases to abide by free market mechanisms to be able to join the European Common Market.

Coordination was carried out in many forms, as exchanging information and experiences, organizing joint seminars and conferences, holding training programs at with other regulatory authorities in the developed countries to benefit from their expertise, and using experts from those countries to work with the Authority for few months to assist with its work.

All the above mentioned forms of coordination help the Authority accomplish the work assigned to it in the best manner. At another level, getting acquainted with the experiences of other countries helps avoid committing any mistakes facing the Authority in its early stages.

- **Arab Countries:**

Within the framework of relations with Arab countries, the Authority received, in February 2007, an official delegation from the Competition Council in Saudi Arabia in a 2-days visit, to benefit from the Egyptian experience in implementing the Competition Law and Executive Regulations. In addition, getting acquainted generally with the Authority's organizational structure, work system, variable methods of investigating the anti-competition practices and how to deal with them from receiving the complaint, to gathering information, interviewing persons in question (or under investigation), and conducting investigations, studies and economic analyses.

On the other hand, the Authority participated as well in the Second Competition Conference in Jordan in December 2006, with the participation of a number of Heads of Competition Authorities, beside some International competition experts. The conference discussed the experiences of Jordan, Tunisia, Turkey, South Korea and Egypt in establishing competition authorities and developing their work systems. Mrs. Mona Yassine, Chairperson, made a presentation on the Competition Law, and establishing the authority, beside the work methods implemented in the Egyptian Competition Authority.

In addition, the conference discussed the role of the competition policy in the development and progress of economy. Besides, discussing a number of regional cases related to enforcement of competition law and policy. The conference was concluded by offering future views of competition laws, and means of developing and exchanging the work systems in competition authorities different countries.

- **Cooperation with the European Union and the United States:**

The Authority conducted a number of study visits to the Office of Fair Trading in United Kingdom and Swiss Competition Authority to learn the most updated work systems, case handling methods, inferences collection, and conducting economic analysis, beside, learning more about their organizational and administrative structures.

The Authority, also, received a number of experts from the European and US competition authorities to benefit from their expertise and transfer it to the staff.

- **Coordination with Donor Authorities:**

Accomplishing the tasks assigned to the Authority is largely related to the available financial capabilities. According to Article (14) of the Law, the Authority resources will be collected from a number of sources, the most important of which will be designated to the Authority in the Government Budget and the grants, and donations accepted by the Board which are not conflicting with its objectives and purposes

In order to better utilize these resources, a clear plan must be developed to deal with the donor authorities, as well as benefit from the grants and donations presented to the Authority. This begins with selecting donors, identifying the support they can provide for the Authority, and setting a long-term plan in coordination with those authorities to ensure the sustainability of the support provided.

The Authority has already initiated coordinating with a number of donors, taking into consideration that the support must be in conformity with the Authority's objectives, and must be suitable in terms of training the staff, or providing the devices, equipments and programs relevant to performing the work.

10 experts spent periods ranging from a week to three months at the Authority to train the staff. In addition, 16 experts visited the Authority for training and participating in raising awareness of the Law. There is an ambitious training plan to ensure getting the maximum benefit from the expertise, and constantly improving the performance level.

1- European Union (EU)

Within the framework of Euro-Mediterranean Market Program, the Authority participated in a number of seminars and conferences in Berlin, Brussels, Madrid, and finally Munich, Germany, where the Authority participated in the proceedings of the Final Conference on Competition Law and Policy. This offered an opportunity for the participating countries to discuss their common priorities, exchange views and experiences, and consider developing regional cooperation mechanisms to organize competition in a manner that would serve the establishment of the free trade zone of the Euro-Mediterranean Market by 2010.

2- US Agency for International Development (USAID)

Within the framework of International Commercial Law Development Program under USAID, a number of workshops were organized, on the anti-competition agreements, and the abuse of the dominant position and the harmful vertical agreements, using foreign competition experts in competition field.

Visiting Experts:

Expert	Specialization	Date	Period	Entity
Armando Rodriguez	Economic Expert	Feb. 1 st – May 1 st , 2006	3 months	USAID
Michael Nicholson	Economic Expert	June 1 st – July 1 st , 2006	30 days	USAID
Sarah Garozzo	Legal Expert	Dec. 15 th , 2006 – Feb. 15 th , 2007	3 months	EU
John Byer	Economic Expert	Jan. 25 th – Feb. 13 th , 2007	21 days	USAID
Ombretta Main	Economic Expert	April 2 nd – 6 th , 2007	5 days	EU
Fausta Giasolli	Legal Expert	May 21 st – 24 th , 2007	4 days	EU
Frank Fine	Legal Expert	July 1 st – 15 th , 2007 November 1 st – 15 th , 2007	15 days 15 days	USAID
Chi Leng	Economic Expert	August 1 st – 21 st , 2007	21 days	USAID

Bruno Viani	Economic Expert	November 1 st – 21 st , 2007	21 days	USAID
Francesca Ferry	Economic Expert	September, 2 nd – 6 th , 2007	5 days	Italian Competition Authority

Visiting Experts during Workshops and Training Courses in Cooperation with Foreign Agencies:

Expert	Entity
Konrad Oust	Bundeskartellamt (German Competition Authority)
Frederic Jenny	French Competition Authority
Edward Whitehorn	Economic Cooperation and Development Organization
Ogoz Karkosh	Turkish Competition Authority
Francesca Ferry	Italian Competition Authority
Joel Schrag	Commercial Law Development Program
Seppo Remavou	Finnish Competition Authority
Lydia Spirofv	Commercial Law Development Program
Michael Scott	Commercial Law Development Program
Gary Shorr	Commercial Law Development Program
Robert Macmillan	Commercial Law Development Program
Wayne Dunham	Commercial Law Development Program
David Myer	Commercial Law Development Program
John Read	Commercial Law Development Program
Timothy Hughes	Commercial Law Development Program
Alberto Himler	Italian Competition Authority
Hassan Qaqaya	UN Trade and Development Center

- **Coordination with international and regional organizations concerned with competition:**

International and regional organizations play a very important role in achieving convergence among the competition authorities worldwide. The conferences, seminars and workshops organized by these agencies an opportunity for dialogue and exchange of views regarding different competition-related topics and issues. Coordination with various international authorities and entities concerned with competition is an integral part of the Egyptian Competition Authority's policy.

International Competition Network is an international organization that includes many competition authorities worldwide. Within the framework of the Authority coordination policy with concerned international organizations, it participated in the annual sixth conference organized by the International Competition Network in Moscow, Russia from May 30th – June 1st, 2007. The conference provided an opportunity for discussions and exchange of experiences among the participants around the competition-related topics. It, also, discussed the role of the competition laws in economic development and the best international applications concerning the competition policy and legislation.

Cooperation Agreements

- **Cooperation Agreement between the Authority and the Cabinet Information and Decision Support Center**

On October 2nd, 2006, the Egyptian Competition Authority signed a cooperation agreement with the Information & Decision Support Center to obtain a license for using the e-institution management system and the integrated financial system, in addition to train the staff on using both systems. This comes in line with the modernization thinking adopted by the Authority, which largely depends on developing the administrative thinking based on IT and developed means of communications, that is considered a main component to build a modern institution capable of proceeding ahead in terms of achieving an overall development in all the services provided by the Authority, and being capable of dealing with future developments and challenges.

Facts and Statistics

	Date	Topic
1	February 15 th , 2005	Issuing Law no. (3) of 2005 on the Protection of Competition and Prohibition of Monopolistic Practices
2	August 17 th , 2005	Prime Ministerial Decree no. (1316) of 2005 on issuing the Executive Regulations of the Protection of Competition and Prohibition of Monopolistic Practices Law
3	August 20 th , 2005	Prime Ministerial Decree no. (1342) of 2005 on establishing the Board of Directors of the Egyptian Competition Authority for the Protection of Competition and Prohibition of Monopolistic Practices
4	November 19 th , 2005	Prime Ministerial Decree no. (1856) of 2005 on the salaries, incentives and bonuses of the staff of the Egyptian Competition Authority for the Protection of Competition and Prohibition of Monopolistic Practices
5	January 4 th , 2006	Prime Ministerial Decree no. (20) of 2006 on the assignment of the Executive Director of the Egyptian Competition Authority for the Protection of Competition and Prohibition of Monopolistic Practices
6	April 1 st , 2006	Prime Ministerial Decree no. (571) of 2006 on delegating the Minister of Trade and Industry to perform the Prime Minister's terms of reference stipulated under the Protection of Competition and Prohibition of Monopolistic Practices Law
7	November 9 th , 2006	Minister of Justice's Decree no. (8483) of 2006 on granting a number of staff at the Egyptian Competition Authority for the Protection of Competition and Prohibition of Monopolistic Practices the judicial inspection capacity
8	February 14 th , 2007	Approval of the Minister of Trade and Industry on issuing the regulations affairs list at the Egyptian Competition Authority for the Protection of Competition and Prohibition of Monopolistic Practices
9	March 25 th , 2007	Issuing the Attorney General's Periodical Book no. (9) of 2007 on the Protection of Competition and Prohibition of Monopolistic Practices Law
10	October 4 th , 2007	The Board of Directors' decision to refer Egypt Cement Sector Study file to the Minister of Trade and Industry to take the actions necessary to file a criminal case

ECA Balance Sheet 2006/2007

Items	Determining the Budget	Actual Expenses
Salaries	4,000,000	2,100,129
Goods and services purchase	4,750,000	719,800
In-kind support and grants	2,000,000	60,658
Other expenses	250,000	27,623
Assets purchase	5,213,859	3,053,598
Total	16,213,859	5,961,898