

# Significant market power 2.0

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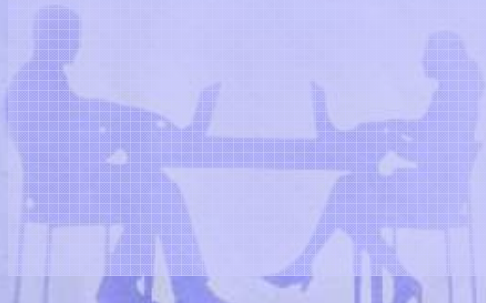
# **Act No. 395/2009 Coll. on significant market power in the sale of agricultural and food products and the abuse thereof**

- **Entered into force February 2010**
- **It tackles the issue of:**
  - **defining market power**
  - **prohibition of unfair practices**



# Effect

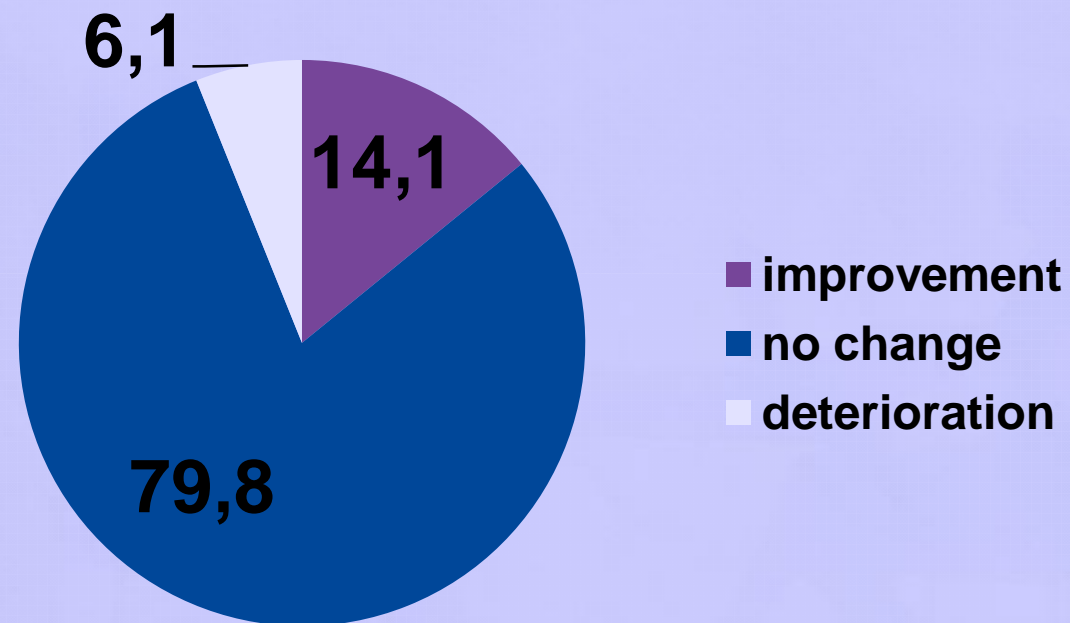
- **Up till now:**
  - 1 fine (final judgement)
  - 1 fine (judgement not entered into force yet)
- **Costs**
  - of the state
  - of the sellers
  - of the buyers



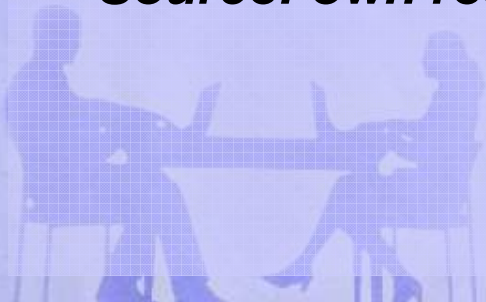


# Research 2012/13

Change in quality of relationship in % (n = 99)

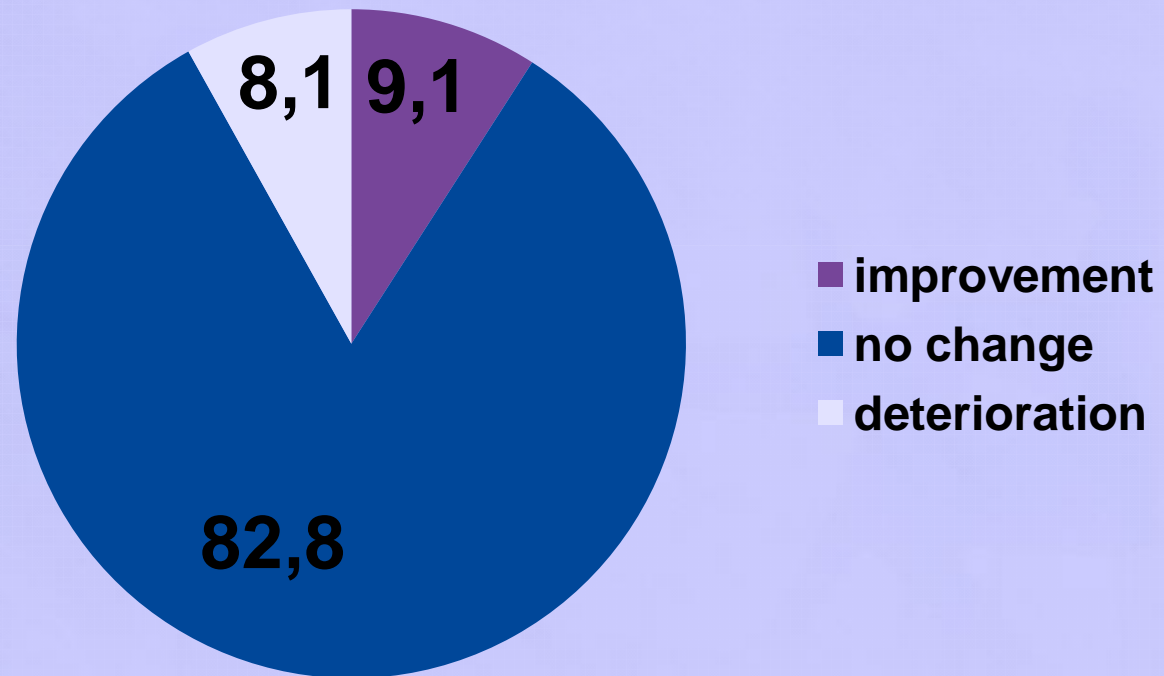


*Source: own research*



# Research 2012/13

Change in negotiation position of the supplier  
in % (n = 99)



*Source: own research*



# Unfair practices

- **Compliance with provisions about**
  - **returns of unsold goods to the supplier**
  - **30day payment period**

**BUT.....**

- **Various means of compensation**
  - **shorter payment period = lower price**
  - **no returns = lower price**
  - **changes in names of prohibited payments**
  - **etc.**

# **Objections to the Act**

- **Bad juristic quality**
- **Unclear definitions**
- **Presumption of guilt**
- **Unilateral definition of market power**
- **The Act does not resolve the merits of the case**





# **Amendments to the Act...?**

- **Cancelling the Act without any amendment**
- **Cancelling the Act and amend some other acts with some provisions from the Act**
- **Leave it as it is**
- **Toughen the regulation of unfair practices**





# **Is there any solution?**

**The more concrete the Act,  
the easier to avoid it.**

**The more general contents of the Act,  
the more negotiations done unofficially.**

