



Republic of Serbia  
**COMMISSION FOR PROTECTION  
OF COMPETITION**

25/IV Savska St., Belgrade  
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**SUBJECT:** Notice on the outcome of the initiative

The Commission for Protection of Competition (hereinafter, the Commission) has received the Initiative for the investigation of infringement of competition *ex officio*, filed against the Taxi Association of Serbia “Satus”, Trade Association of Taxi Entrepreneurs of Belgrade, and the Contractual Taxi Chamber of Commerce of Serbia.

In the Initiative is stated that said business entities against whom the initiative was filed have infringed the competition by entering into a prohibited horizontal restrictive agreement from Article 10 of the Law on Protection of Competition (Official Gazette of the RS 51/2009 and 95/2013 – hereinafter, the Law). It is alleged that the parties are the members of the Taxi association who have participated in a working group for drafting the Law on Amendments to the Law on Road Passenger Transport, which entered into force on November 6, 2018. The initiative further states that the participation of a taxi association in the working group in charge of adopting, inter alia, measures aimed at elimination of every potential competing undertaking represents the evidence of agreement between taxi carriers, as well as that legally stipulated measures represent a means to intimidate and eliminate competition. It is stated that over the past years, the taxi association has organized taxi strikes, driver protests and downtown blockades with the purpose of restricting competition, and has put emphasis on the illegality of Cargo’s operations in every way possible. In the initiative is concluded that the description of the conduct of taxi service providers represents an explicit agreement between undertakings on the passenger vehicle transport market, which restricts and controls the market, technical development, and investments. In the initiative is indicated that an additional evidence of the existence of explicit agreement aimed to eliminate competition on the observed market can be seen in the fact that a working group for drafting of the Law on Amendments to the Law on Road Passenger Transport was established by the Government of the Republic of Serbia on January 24, 2019, and that the task of this working group was to analyze the implementation of the provisions governing taxi services and unfair competition, that the working group was dealing with the implementation of operative matters concerning taxi services, as well as elimination of the unauthorized provision of taxi services by natural persons without permits for the provision of taxi services.

In order to examine whether the case merits further investigation, that is, to investigate the fulfillment of conditions to open antitrust proceedings *ex officio* based on the initiative concerned, the Commission has contacted the Ministry of Construction, Transportation and Infrastructure with the Request for the provision of information. In complying with the

Commission's request, the Ministry of Construction, Transportation and Infrastructure has submitted a letter on July 12, 2019, accompanied by copies of five Decisions establishing working groups for drafting of the Law on Amendments to the Law on Road Passenger Transport, in the period from 2014-2018.

In the letter submitted to the Commission is stated that said decisions have also envisaged a task of each of the working groups for drafting of the Law on Amendments to the Law on Road Passenger Transport, established in order to provide a draft regulatory text to the Government of the Republic of Serbia for examining and deciding. In line with the set task relating to the regulation of the subject matter and relations in the field of taxi transport services, the composition of the working group was announced, whose members also included representatives of trade organizations and business associations, associations of entrepreneurs and respective unions' representatives, in addition to experts from the state authorities and local self-governments whose scope of operations relates to the provision of taxi services. It is underlined that said decisions were enacted in line with the established practice of this institution, set to always include representatives of the most prominent business entities operating in the field covered by the regulatory activity in question so as to ensure a more comprehensive regulation of the activity concerned and to provide a draft regulation to the Government of the Republic of Serbia for examining and deciding.

In the letter is also underlined that representatives of business entities not recognized as providers of the passenger transport services could not be included as members of the working groups or their members that do not provide the public passenger transport services in the legally prescribed manner, without holding legally prescribed permissions. It is emphasized that the European Court of Justice has indicated in its rulings that all new types and forms of passenger transport services using new technologies must be aligned with national regulatory frameworks governing passenger transport services of each country where such companies operate.

Following the analysis of statements presented in the Initiative, collected data, information and regulation governing the provision of passenger transport services, the Commission has established the following:

The physical confrontation, strikes and blockades, the engagement in the working group do not represent acts of infringement of competition, that is, acts as defined by the Law. Certain listed acts may represent a felony, while the activities of associations engaged in the working groups against whom the initiative was submitted may represent a form of lobbying activities of certain stakeholder groups, as well as that the prohibition of the organization of individual forms of taxi services due to the hiring of persons not holding permissions for the provision of taxi services does not represent a restriction of competition. Namely, the possession of a license for the provision of taxi services is a statutory requirement and certainly is not a tool for the restriction of competition.

The Commission has provided its opinion on the Law on Road Passenger Transport, as well as on several amendments to this Law. In the provision of its opinions and in its practice from the field concerned, the Commission has not gone into the aspects of the organization and functioning of the market itself, but has only considered the matter of the provision of a level playing field for undertakings operating in this market. In line with the above, the Commission has not analyzed any other issue except for those concerning the competition.

When assessing the initiative concerned, the Commission has particularly valued the fact that the working groups, whose members in addition to taxi associations' representatives have also included representatives of the line Ministry, representatives of the Secretariat for Transport of the City of Belgrade, representatives of the Secretariat for Inspections of the City of Belgrade, representatives of the Secretariat for Communal Police of the City of Belgrade, have been established by the Government of the Republic of Serbia, as well as the Ministry of Construction, Transportation and Infrastructure. The establishment of working groups for the drafting of regulations and their amendments is the sole responsibility of state authorities, and the Commission does not perceive such forms of organization as a form of associations within the meaning of Article 10 of the Law (cartel, restrictive agreements or other forms of illegal association).

In light of the above, we are hereby notifying you that the legal requirements for the opening of antitrust proceedings *ex officio* have not been met under the provisions of Article 35 of the Law, nor that the case merits further investigation by the Commission based on the initiative concerned.

PRESIDENT OF THE COMMISSION

Dr Miloje Obradović