

ALÞJÓÐLEG RÁÐSTEFNA

“The Future Ain’t What it Used to Be”

20 Years of Competition Law
and the Challenges Ahead



Ritröð Samkeppniseftirlitsins

Samkeppnin eftir hrún



Ritröð Samkeppniseftirlitsins

Are we entering into a lost decade?
More effective competition is the cure against stagnation

Rit nr. 2/2013

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Endurreisn fyrirtækja 2012

Aflaklær eða uppvakningar?

Skýrsla
Rit nr. 3/2012
Mars

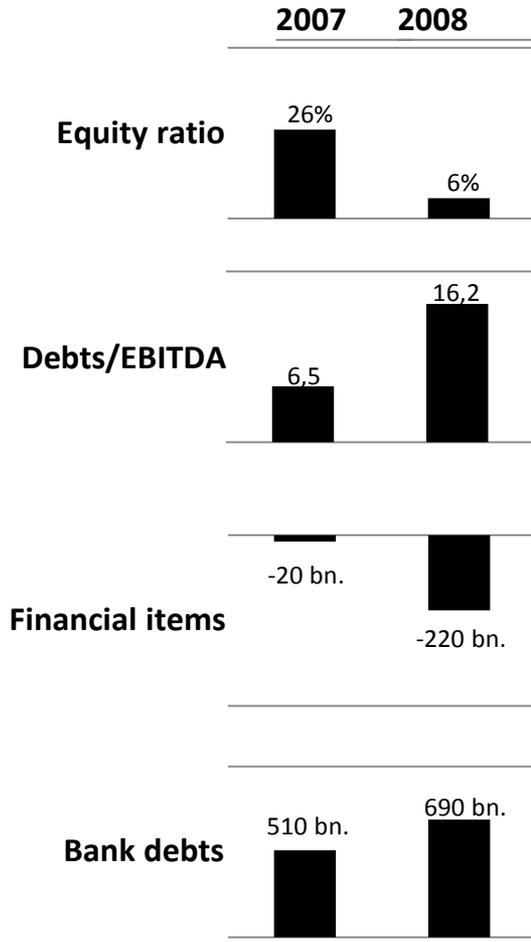


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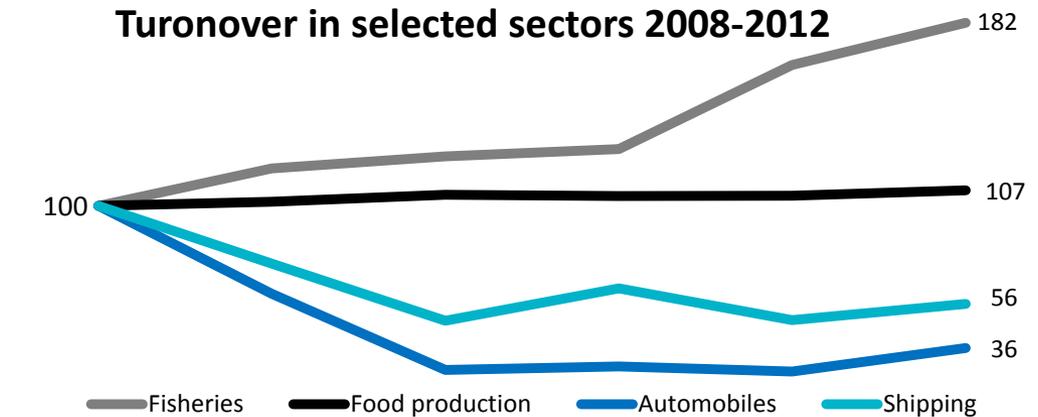
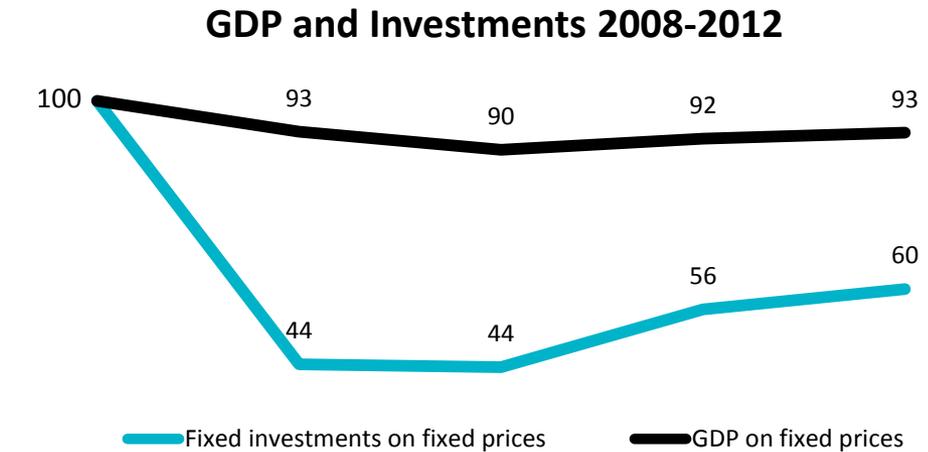


Extreme difficulties

The economy hit a wall



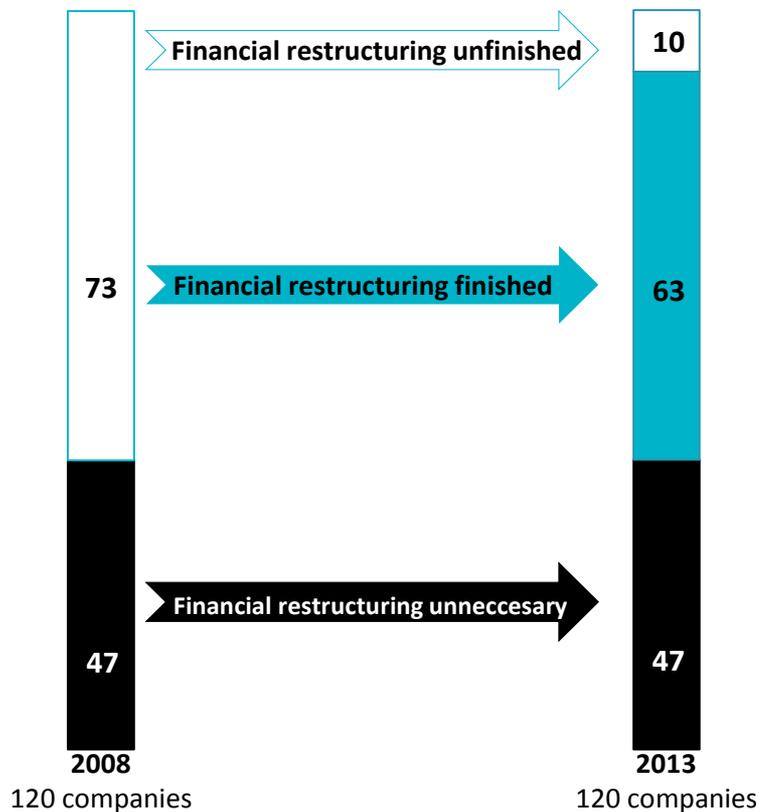
Long recovery



First round of restructuring mostly over

...but in spite of this ...

The progress of the financial restructuring
in 2008 to 2013

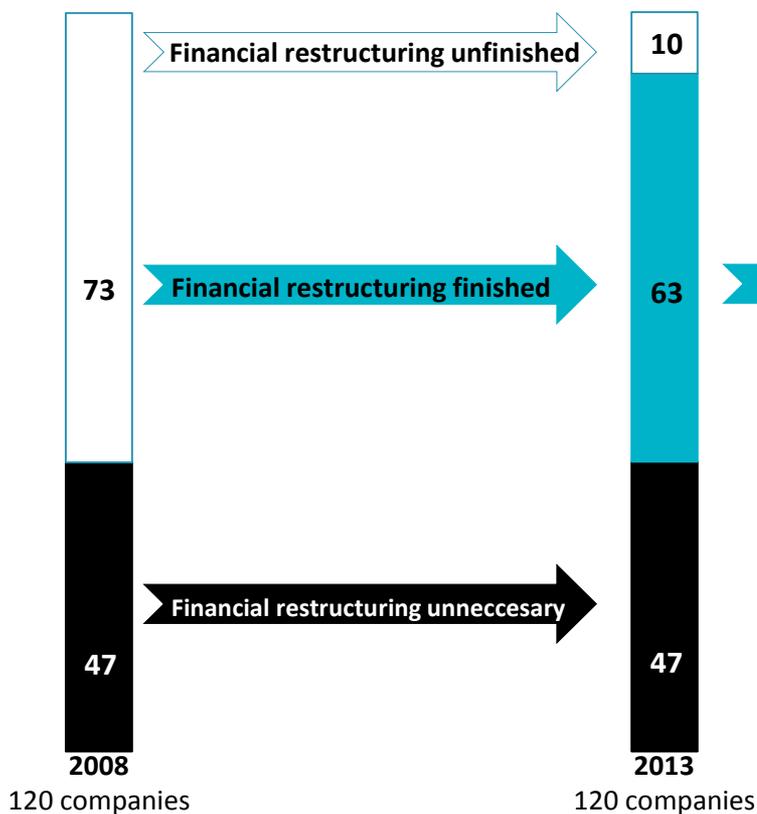


First round of restructuring mostly over

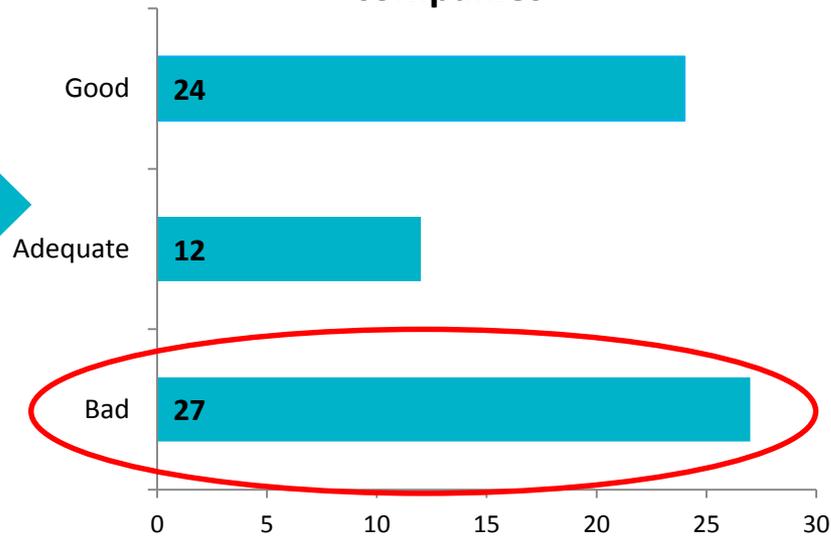
...but in spite of this ...

...many restructured companies are in bad shape

The progress of the financial restructuring
in 2008 to 2013



The financial position of restructured companies



Export sector good - domestic sector bad

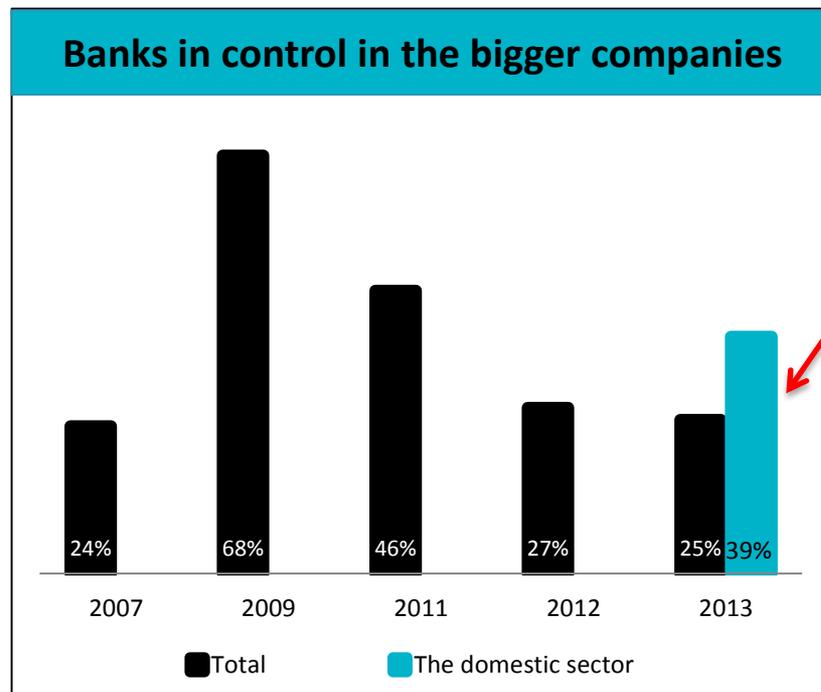
	The export sector	The domestic sector
Debts/EBITDA	5	9
Equity ratio	37%	25%
Return on capital employed (ROCE)	12,2%	4,6%
Percentage of companies in a good situation	82%	45%
Percentage of companies in a bad situation	14%	34%



Pension funds own more – Banks on the retreat

...but with considerable power through indebtedness

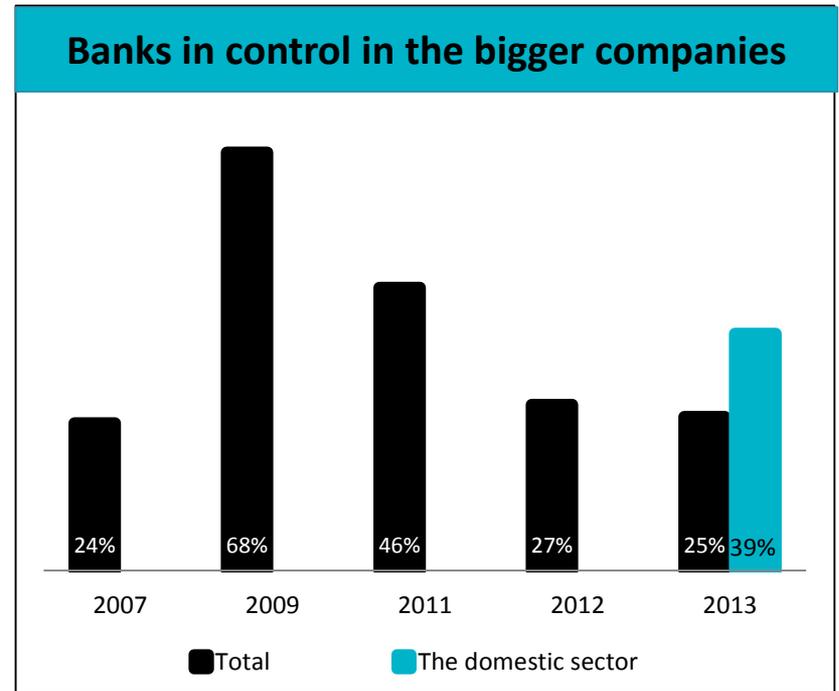
Formal ownership				
	2007	2009	2011	2013
Individuals	85%	65%	48%	56%
Banks and resolution committies	2%	22%	29%	14%
Pension funds	2%	3%	9%	14%
Other	11%	10%	14%	16%



Pension funds own more – Banks on the retreat

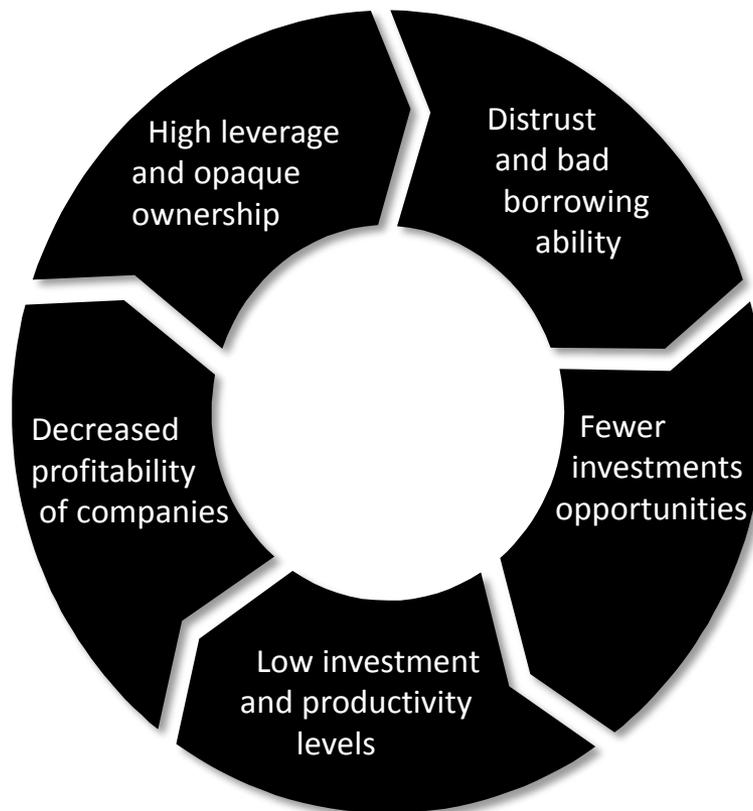
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Indicators of stagnation and weak competition

Many similarities with „the lost decade“ in Japan



The two paths

Increased protectionism

- Barriers to entry raised with government actions.
- Competition from abroad decreased.
- Supply of goods and services limited by regulations.
- Collusion or abuse of a dominant position facilitated.

**ECONOMIC
DECLINE** 

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DECLINE** 

Open markets and vigorous competition

- Barriers to entry removed and markets opened.
- More market participants.
- Increased diversity and bigger markets.
- More robust competition enforcement

**ECONOMIC
GROWTH** 

12:30 – 14:00

Workshop 1:



Advocacy challenges - Competition policy as a tool to promote efficiency in the public sector.

Panelists:

- **Vilhjálmur Egilsson**, *Rector at Bifröst University (moderator)*
- **Illugi Gunnarsson**, *Minister of Education, Science and Culture*
- **Kristina Geiger**, *Deputy Director of the Swedish Competition Authority*
- **Cristiana Vitale**, *Senior Competition Policy Expert, OECD*
- **Victor D. Norman**, *Professor of Economics, Norwegian School of Economics (NNH), and former minister of competition affairs*
- **Björn Zoega**, *CEO of Landsspítali University Hospital*
- **Oddur Steinarsson**, *CEO and Chief Physician, Nötkärnan Kortedala, Primary Health Care Center, Gothenburg, Sweden*

Workshop 2:



Optimal deterrence effect of competition law enforcement.

Panelists:

- **Helga Melkorka Óttarsdóttir**, *Supreme Court Attorney (moderator)*
- **John M. Connor**, *Professor Emeritus of Economics, Purdue University, US*
- **Páll Hreinsson**, *Judge at the EFTA Court*
- **Tim Ward**, *QC Barrister.*
- **Jóna Björk Helgadóttir**, *District Court Attorney at Landslög Law Offices*
- **Ásgeir Einarsson**, *Deputy Director General of the Icelandic Competition Authority*

14:30 – 16:00

Workshop 3:



Enforcement challenges in network markets

– The case of the telecommunications market.

Panelists:

- **Kristín Haraldsdóttir**, *Chairman of the Board of the Competition Authority (moderator)*
- **Tim Ward**, *QC Barrister.*
- **Heiðrún Jónsdóttir**, *District Court Attorney at Aktis Law Offices and member of the board of Skipti hf.*
- **Jóakim Reynisson**, *CTO of Nova ehf. (telecom company)*
- **Dóra Sif Tynes**, *Senior Legal Officer, EFTA Secretariat*
- **Páll Gunnar Pálsson**, *Director General of the Competition Authority*

