



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

25/IV Savska St., Belgrade
Number: 4/0-02-534/2018-1
Date: July 16, 2018

Pursuant to Article 35(2) of the Law on Protection of Competition (Official Gazette of the RS, 51/2009 and 95/2013), President of the Commission for Protection of Competition enacts the following

CONCLUSION

I PROCEEDINGS IS INSTITUTED *ex officio* for investigation of infringement of competition against the following undertakings:

- **YUGLOB DOO PRIVATNO PREDUZEĆE ZA SPOLJNU TRGOVINU, TRGOVINU, ZASTUPANJE, POSREDOVANJE, KONSALTING I INŽENJERING I USLUGE, BORČA**, company number 07488971, with registered seat in Belgrade-Palilula, bb Zrenjaninski put St., whose representative is Predrag Stevanić,
- **HEALTH INSTITUTION PHARMACY KRALJEVO**, company number 06959881, with registered seat in Kraljevo, 30 Srpskih ratnika Sq., whose representative is Ivan Divac,
- **FARMALOGIST DOO BEOGRAD**, company number 17408933, with registered seat in Belgrade, 3 Mirijeovski Blvd., whose representative is Silvana Džudžević,
- **VEGA DOO VALJEVO**, company number 07666063, with registered seat in Valjevo, 41 Vuka Karadžića St., whose representative is Radomir Mladenović,

in order to establish the existence of restrictive agreements, within the meaning of Article 10 of the Law on Protection of Competition.

II All persons in possession of data, documents or other relevant information which could contribute to the accurate fact-finding in the proceedings are called upon to submit said to the Commission for Protection of Competition to the address 25/IV Savska St., Belgrade.

III This conclusion shall be published in the Official Gazette of the Republic of Serbia and on the website of the Commission for Protection of Competition.

Rationale

Pursuant to the Conclusion enacted by the President of the Commission for Protection of Competition no. 4/0-02-368/2018-1 of April 24, 2018, the Commission has instituted proceedings *ex officio* against undertakings “Yuglob doo privatno preduzeće za spoljnu trgovinu, trgovinu, zastupanje, posredovanje, konsalting i inženjering i usluge, Borča” (hereinafter referred to as Yuglob) and “„Samostalna trgovinsko komisiona radnja-Bebi butik Roda Avramović Rade preduzetnik Beograd (Zvezdara)“. Pursuant to the Conclusion enacted by the President of the Commission for Protection of Competition no. 4/0-02-368/2018-5 of April 24, 2018, an order to conduct dawn raid on the premises of company Yuglob was issued. During the dawn raid, the following agreements were found and photocopied:

- General agreement on purchase and sale, concluded on January 1, 2016 between Yuglob and Pharmacy Kraljevo, filed with Yuglob under number 785 of September 26, 2016 and with Pharmacy Kraljevo under number 397 of September 20, 2016;
- General agreement on purchase and sale, concluded on January 1, 2018 between Yuglob and Pharmacy Kraljevo, filed with Yuglob under number 052 of January 26, 2018 and with Pharmacy Kraljevo under number 01-2 of January 23, 2018;
- General agreement on purchase and sale, concluded on January 1, 2016, between Yuglob and Vega doo Valjevo (hereinafter referred to as Vega), filed with Yuglob under number 194 of March 3, 2016 and with Vega under number 221/IV of April 8, 2016;
- General agreement on purchase and sale, concluded on January 1, 2016 between Yuglob and Farmalogist doo Beograd (hereinafter referred to as Farmalogist), filed with Yuglob under number 153 of February 25, 2016 and with Farmalogist under number UG-781/2016 of February 8, 2016;
- General agreement on purchase and sale, concluded on January 1, 2018 between Yuglob and Farmalogist, filed with Yuglob under number 042 of January 19, 2018 and with Farmalogist under number UG-560/2018 of January 25, 2018;
- General agreement on purchase and sale, concluded on January 1, 2015 between Yuglob and Farmalogist, filed with Yuglob under number 385 of March 19, 2015 and with Farmalogist under number 04-475/2015 of February 11, 2015;
- General agreement on purchase and sale, concluded on January 1, 2017 between Yuglob and Farmalogist, filed with Yuglob under number 017 of January 13, 2017 and with Farmalogist under number UG-16/2017 of January 9, 2017;

(hereinafter individually and collectively referred to as the Agreement(s)).

Upon reviewing the Agreements, it is established as follows:

- Yuglob is regarded as the seller;
- the subject matter of the Agreements concluded with undertakings Pharmacy Kraljevo, Vega and Farmalogist is the sale and delivery of goods to the buyer from the seller’s product portfolio intended for further sale, namely: the Original Pavlović Ointment, children’s cosmetics BÜBCHEN Germany, baby care products NUK Germany and baby care products TIGEX France;
- in Article 2 of the Agreements, the parties have agreed on the buyer’s commitment not to establish the price of products in further sale below the seller’s invoice price.

Following a detail analysis of the Agreements, the Commission for Protection of Competition (hereinafter referred to as the Commission) has reasonably assumed that company Yuglob, as the seller, and Pharmacy Kraljevo, Vega and Farmalogist, as buyers, have established the sale prices and other conditions of trade on the baby care products retail market. The reasonable assumption is based on the fact that the Agreements concerned contain provisions that set the prices in further sale, which restrict buyers to individually and autonomously make business decisions relating to the price policy of respective companies.

The provision of Article 10(1) of the Law on Protection of Competition (Official Gazette of the RS, 51/2009 and 95/2013 - hereinafter referred to as the Law), stipulates the following: Restrictive agreements are agreements between undertakings which as their purpose or effect have a significant restriction, distortion or prevention of competition in the territory of the Republic of Serbia.

The provision of Article 10(3) of the Law stipulates that restrictive agreements are prohibited and void, except in cases of exemption from the prohibition pursuant to this Law.

Given a positive assessment on the fulfilment of conditions from Article 35(1) of the Law for instituting *ex officio* proceedings for investigation of competition infringement, and pursuant to the provision of Article 35(2) of the Law, it is decided as in Paragraphs I and II of enacting terms herein.

Pursuant to the provision of Article 40(1) of the Law, where is stipulated that a decision on instituting *ex officio* proceedings is published in the Official Gazette of the Republic of Serbia and on the website of the Commission, it is decided as in Paragraph III of enacting terms herein.

Instruction on legal remedy:

This conclusion is not susceptible to special appeal, but is permitted to institute administrative dispute by an appeal before the Administrative Court against the final decision of the Commission.

PRESIDENT OF THE COMMISSION

Dr. Miloje Obradović