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c/o Licensed Veterinarian  
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### **Query regarding the exercise of public authority**

In a letter to the Competition Authority dated 5 May 2011 (Ref. no. 349/2011), you have two questions regarding the District Veterinary Organisation (DVO). Firstly, you wish to ascertain whether the activities of the DVO should be considered activities of a public authority. Secondly, you wish to know whether the DVO's activities are subject to the competition legislation.

The Competition Authority states in its reply, dated 9 May 2011, that state-run activities often include operations of a financial or commercial nature, which means that competition rules are applicable. The Competition Authority believes, however, that a specific inquiry into the question of what in the DVO's activities is related to such activities and what is related to its exercise of governmental authority is not justified.

In the letter dated 9 June 2011, which refers to the Competition Authority's reply of 9 May 2011, you once again refer to the fact that the Competition Authority will launch a specific inquiry with the aim of determining which activities fall within and which fall outside the scope of the Competition Act.

The Competition Authority is well aware of the fact that the veterinary sector is characterised by different types of competition problems. In this respect, the Competition Authority wishes to refer, among other things, to its response when the report on the new forms of veterinary field activities *Veterinär fältverksamhet i nya former* (SOU 2007:24) was circulated for comment.

The market for veterinary care is characterised by competition and conflicts between the DVO and private veterinarians. Important prerequisites for effective competition and efficient resource utilisation that are of benefit of the general public, animal owners or consumers are lacking. This can be particularly detrimental to the small companies in veterinary care.

The Competition Authority is of the opinion that it is inappropriate to combine business and customer relations with the exercise of public authority where the customers are subject to supervision. Furthermore the Competition Authority is of the opinion that the Board of Agriculture has dual roles, i.e. both a producer and a regulatory role, which involves the

exercise of public authority. It is important to distinguish between the exercise of public authority, which in the Competition Authority's view should most appropriately be pursued in the public sector, and other undertakings, which in some cases may warrant a spin off. The Competition Authority has previously proposed various measures to address these problems.<sup>1</sup>

A more detailed breakdown of the situations that fall within or outside the scope of the competition rules cannot be made without an inquiry into the many situations that could arise within the DVO's sphere of activities. The Competition Authority does not deem that such an inquiry is motivated at this point. The case is therefore closed.

Peter Delden

Mikael Rydkvist

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<sup>1</sup> See Competition Authority's opinion, ref. no. 503/2008, for a more detailed account of the proposal.