

BOSNA I HERCEGOVINA
Konkurencijsko vijeće



БОСНА И ХЕРЦЕГОВИНА
Конкуренијски савјет

DECISION

**Upon Notification of intended concentration of Telekom Slovenije, Cigaletova 15, Ljubljna,
Republic of Slovenia and Aneks d.o.o. Krajiških brigada 113, Banja Luka**

**Sarajevo
January 2008**



Number: 01-03-26-035-6-II/07
Sarajevo, 15. 01. 2008.

Pursuant to Article 25, paragraph (1), item e), article 42, paragraph (1) item d), Article 43, paragraph (2), in connection with Articles 12, 14, 16 and 18 of the Act on Competition («Official Gazette of BH», No. 48/05 and 76/07) upon a Notification of intended concentration between undertakings Telekom Slovenije (Enterprise for telecommunications) d.d., Cigaletova 15, Ljubljana, Republic of Slovenia and Aneks d.o.o., Krajiških brigada 113, Banja Luka, entered under the registration No.:01-0-26-035-II/07 on 10.10.2007., the Council of Competition in its 58th (fifty-eight) session, held on 15 January 2008 has adopted

D E C I S I O N

1. The concentration created between undertakings Telekom Slovenije (Enterprise for telecommunications) d.d., Cigaletova 15, Ljubljana, Republic of Slovenia and Aneks d.o.o., Krajiških brigada 113, Banja Luka in the market for Internet and fixed-line telephone services (a telecommunications services segment) and computing services within the computer network in Bosnia and Herzegovina by acquisition of control through purchase of majority shares in shares capital is declared compatible.
2. This Decision on concentration shall be recorded at the Registry on concentrations.
3. This Decision is final and it will be published in Official Gazette of BH and in official gazettes of Entities and Brcko District of Bosnia and Herzegovina.

E x p o s i t i o n

Telekom Slovenije (Enterprise for telecommunications) d.d., Cigaletova 15, Ljubljana, Republic of Slovenia (hereinafter: Telekom Slovenije or the Applicant) by its authorized Attorney Sead Miljković, Fra Anđela Zvizdovića 1, Sarajevo, submitted to the Council of Competition a Notification of intended concentration (hereinafter: the Notification) by means of which the Applicant intends through purchase of majority of shares in shares capital to acquire 70% ownership in Aneks d.o.o., Krajiških brigada 113, Banja Luka (hereinafter: the Aneks)

The Notification was submitted to the Council of Competition on 10.10.2007. under registration number 01-0-26-035-II/07, pursuant to Article 16, paragraph (1) of the Act on Competition (hereinafter: the Act).

After examining the Notification, the Council of Competition established that Notification was not complete, pursuant to Article 30 of the Act and therefore, pursuant to Article 31 of the Act, asked the supplements to the Notification by official letter No.: 01-03-26-035-2-II/07, on 19.11.2007.

The Applicant submitted the supplements to the Notification on 13.12.2007., No.: 01-03-26-035-3-II/07, according to the requirements of the Council of Competition.

The Council of Competition established that Notification was complete and adequate and issued an Acknowledgement of receipt of the complete and adequate Notification on 13.12.2007. under the No.: 01-03-26-035-5-II/07, pursuant to Article 30, paragraph (3) of the Act.

The Applicant is not obliged to submit a Notification to any other body responsible for assessment of the concentration, outside of the territory of Bosnia and Herzegovina.

Having analyzed all data from the Notification, the Council of Competition established that parties to the concentration in question achieved the following income (according to the final account in 2006-the financial year preceding the concentration):

Table 1.

Total income (KM)	Telekom Slovenije	Aneks
World income	(..)** ¹	-
BIH	(..)**	(..)**

Pursuant to Article 14 of the Act the parties to the concentration are obliged to notify the concentration as they fulfill the criteria of total income, achieved in the market of goods/services in the world market in the year that preceding the concentration.

The following facts were established in the assessment of the Notification:

1. Legal basis and form of the concentration

The legal basis for the concentration in question is an Agreement on change of founder by means of joining and assignment of shares in undertaking Aneks (hereinafter: the Agreement), concluded on 2 October 2007 between Telekom Slovenije (a buyer) and natural person, Nebojša Antonijević (a vendor) who is the owner of 100% share in share capital in Aneks. Telekom Slovenije acquires, by means of the Agreement, 70% of share in share capital in Aneks and natural person, Nebojša Antonijević acquires 30% of share in share capital in undertaking Blic.Net. d.o.o. Banja Luka (hereinafter: Blic.Net) which is 100% owned by Telekom Slovenije.

Legal form of the concentration is acquisition of control or dominant influence of one undertaking over another undertaking by purchase of majority stocks or shares in share capital, pursuant to Article 12, paragraph (1), item b) 1) of the Act.

2. Parties to the concentration

Parties to the concentration are Telekom Slovenije d.d., Cigaletova 15, Ljubljana, Republic of Slovenia and Aneks d.o.o., Krajiških brigada 113, Banja Luka, Bosnia and Herzegovina.

2.1. Telekom Slovenije d.d.

Telekom Slovenije d.d., Cigaletova 15, Ljubljana, Republic of Slovenia is a stock company organized in accordance with the legislation of Republic of Slovenia. It is entered into records of the District Court of Ljubljana under the number 5014018, on 01.10.1993.

The main business activity of Telekom Slovenije is provision of telecommunication services which includes: fixed-line and mobile telephony, internet, data processing and cable TV distribution.

Telekom Slovenije acquires in Republic of Slovenia (..)** ownership over the following undertakings: "Mobitel" d.d., "SiOL" d.o.o., "GVO" d.o.o., "Avtenta" d.o.o., "Soline" d.o.o. and "Planet 9" d.o.o. . In 2006 Telekom Slovenije founded an undertaking "Tele- dat" d.o.o.

In 2006 Telekom Slovenije acquired majority ownership over "Ipko net" - Kosovo -(..)** and "On net" d.o.o. Macedonia- (..)**.

On 31.12.2006. Republic of Slovenia had in its possession (..)** of stocks, that is 62, 5268 % of Telekom Slovenije.

Telekom Slovenije operates in the market of Bosnia and Herzegovina through subsidiary Blic.Net d.o.o. Banja Luka.

¹ (..)**- Data is deemed as a business secret

Blic.Net is a limited liability company headquartered in Banja Luka Jevrejska 3/II, entered into record of the District Court in Banja Luka under the number 1-1298-00, on 31.03.2003.

The main business activity of Blic.Net is provision of internet services.

2.2. Aneks d.o.o.

Aneks d.o.o., Krajiških brigada 113, Banja Luka, Republic of Srpska, Bosnia and Herzegovina is an engineering and consulting company export-import d.o.o., organized in accordance with the legislation of Bosnia and Herzegovina. It is entered into records of the District Court in Banja Luka under the number: 1-3645-00, on 19.05.1992.

The main business activity of Aneks is a wholesale of computers, computer peripheral equipment and software, other related computer activities and provision of telecommunication services (internet).

Aneks is established in 1992 and in the last decade, it is leading company in the field of planning and development of computer network, sale of equipment required for linkage of computer LAN (Local Area Network) and WAN (Wide Area Network) networks. The implementation of IP telephony is a part of its business activities.

Aneks sells computers, computer components and peripheral devices. The network attestation, computer systems maintenance services, configuration of systems, development of information systems also make up the wide range of services provided by Aneks.

On 01.04.2002. Aneks acquired a General certificate of Internet services provider and since 12.04.2006. it is licensed network operator in fixed-line telephony in Republic of Srpska.

Aneks has no ownership shares in other undertakings in the territory of Bosnia and Herzegovina.

3. Analysis of the relevant market

Pursuant to Article 3 of the Act and Article 4, 5 and 6 of the Regulation on Definition of relevant market («Official Gazette of BH», No. 18/06), relevant market is a market of particular products/services which are the subject to business activities in the particular geographic market.

The Council of Competition establishes that relevant market of the parties to the concentration in question is a market for providing Internet services and fixed-line telephony (as a segment of telecommunication services) and providing computer network services.

Relevant geographic market for the concentration concerned is the territory of Republic of Bosnia and Herzegovina due to the fact that Internet services and fixed-line telephony (as a segment of telecommunication services) and computer network services is provided on the whole territory of Bosnia and Herzegovina.

Accordingly, the Council of Competition establishes that relevant market of the concentration in question is a market for providing Internet services and fixed-line telephony (as a segment of telecommunication services) and providing computer network services in the whole territory of Bosnia and Herzegovina.

The data provided in the questionnaire of the Telecommunications Regulatory Agency and Internet analysis of telecommunications market show that 52 undertakings provide Internet services in the relevant market in Bosnia and Herzegovina. On the basis of the data collected from 43 licensed service providers there were 237.660 subscribers to Internet in Bosnia and Herzegovina in 2006.

Based on the analysis of the Telecommunications Regulatory Agency, the biggest market participants in the relevant market for providing Internet services (according to the number of subscribers) are

BiHNet (BH Telekom), Teol (Telekom Srpske) and HT Mostar, Also, Logosoft, Sprinter.net and Blic.Net are important.

In the part of Federation of Bosnia and Herzegovina where mainly BH Telekom operates, considering the market participation, infrastructure and capacity, BH Telekom (BiHNet) takes a leadership role together with the private providers Logosoft, Europronet and Smartnet (its primary market competitors). BH Telekom operates in the area of 2.000.000, 00 populations. BiHNet with about 5000 users is a dominant in Bosnia and Herzegovina, considering the actual number of ADSL users.

In the other part of Federation of Bosnia and Herzegovina, HT Mostar is a leader and operates in the area of 500.000,00 populations.

In Republic of Srpska, Telekom Srpske has 10% of market share and operates through its own internet provider, Teol in the area of 1.400.000, 00 populations. Besides Teol, the Sprinter is also important in Republic of Srpska and it is constitutional part of Srpske Pošte.

Aneks has 0,06 % of market share (around 160 subscribers) in the relevant market for providing Internet services in Bosnia and Herzegovina and Telekom Slovenije achieves around 3-4% (around 8.000 subscribers) through subsidiary Blic.Net.

In the relevant market for providing fixed-line telephone services in the market of Bosnia and Herzegovina, Aneks achieves slightly around 0,1% of market share (through provision of services of incoming international telephone calls –as a sub segment of fixed-line telephony), and Telekom Slovenije achieves 0% of market share as it is not active in this relevant market.

BH Telekom has 49,5 %, Telekom Srpske 31,9%, HT Mostar 18,5% and Aneks has 0,1% of fixed-line telephone subscribers in the relevant market.

A great number of participants operate in the relevant market for providing computer network services in the market of Bosnia and Herzegovina.

In the relevant market for providing computer network services Aneks achieves 5-6% of market shares and Telekom Slovenije achieves 0% as it is not active in that relevant market. The main competitors to Aneks in the above mentioned relevant market are: "Logosoft" Sarajevo, "Lanaco" Banja Luka, "MKS" Sarajevo, "MKM" Banja Luka, "Digit" Banja Luka, "MIBO" Sarajevo, "Genelec" Tuzla which together achieve 70% of market share. The rest of 30% of market share is achieved by many small undertakings (the Aneks is among them) which provide the above mentioned services.

4. Appraisal of the concentration

Having analyzed the relevant market structure and market shares of the parties to the concentration, pursuant to Article 17 of the Act, the Council of Competition declares the concentration compatible, pursuant to Article 18, paragraph (2), item a) of the Act,

The Council of Competition keeps in mind that implementation of this concentration will not significantly increase market shares and achieve or strengthen a dominant position of the parties to the concentration due to the fact that Telekom Slovenije is not active and has no market shares in the relevant market for providing fixed-line telephony services and computer network in Bosnia and Herzegovina and that market share of Aneks will remain unchanged. This concentration will cause the change of control over the party to the concentration.

The Council of Competition established that this concentration does not prevent, restrict or distort market competition in the relevant market for providing Internet services and fixed-line telephony (as a segment of telecommunication services) and providing computer network services in Bosnia and Herzegovina and therefore it decides as it is in enacted terms of this Decision.

5. Administration tariffs

On this Decision the Applicant, pursuant to the Article 2, tariff number 107, paragraph (1), item d) 1) of the Regulation on administration taxes relating to the practices before the Council of Competition (“Official Gazette of BIH”, No. 30/06), is obliged to pay administration tariff of 2.500,00 KM for the benefit of the budget of Institutions of Bosnia and Herzegovina.

6. LEGAL REMEDY

This Decision is final and no appeal is allowed against it. Unsatisfied party shall be entitled to bring an administrative dispute before the Court of Bosnia and Herzegovina within thirty days (30 days) from the date of acceptance of this Decision, i.e. from the date of its publication.

President

Sanja Božić