

**Conclusion on instigation of proceedings ex officio against the undertaking
„Amadeus BH“ d.o.o Sarajevo**

Sarajevo, June 2011

Number: 04-26-1-041-1-II/11
Sarajevo, 8th June 2011

Pursuant to Article 27 paragraph (2) and 32, in accordance with Article 10 paragraph (2) items a) and d) of the Competition Act („Official Gazette of BiH“, No. 48/05, 76/07 and 80/09) Council of Competition at its 15th (fifteenth) session held on 8th June 2011, has issued the following

CONCLUSION
on instigation of ex officio proceedings

1. Proceedings are instigated ex officio against the undertaking „Amadeus BH,, d.o.o Sarajevo, Hamida Beširevića do 82, 71000 Sarajevo, for the determination of abuse of dominant position from the Article 10 paragraph (2) items a) and d) of the Competition Act.
2. The proceedings shall be carried out in accordance with the Competition Act and bylaws regulating the field of market competition and other relevant regulations.
3. Parties to the proceedings and other legal and natural entities are obliged to submit all requested documentation related to this case, upon the request of Council of Competition, in terms of Articles 33 and 35 of the Competition Act.

Exposition

Having analyzed the market of booking and issuing of airplane tickets, transport of passengers and cargo in Bosnia and Herzegovina, as well as information gained after the preliminary activities of data gathering regarding the operation of the undertaking „Amadeus BH“ d.o.o. Sarajevo (hereinafter: Amadeus BH), on the mentioned market, Council of Competition found that there is a reasonable doubt that the above mentioned undertaking abuses its dominant position, in terms of Article 10 paragraph (2) items a) and d) of the Competition Act (hereinafter: Act).

According to the available data of the Council of Competition, Amadeus system represents leading global distribution system (GDS) for the whole airway industry, in terms of booking and issuing of airway tickets, transport of passengers and cargo in 212 countries in the world. Amadeus system is trademark of Amadeus and license provider. Amadeus system information can be used exclusively for performance of passenger bookings, providing travel information, accounting, bookkeeping and other authorized

services related to travel, and such data may not be collected, sold and distributed to third parties.

Based on data collected by the Council of Competition, the Amadeus system was the only GDS system present in Bosnia and Herzegovina until October 2010, when "Galileo Adriatic" Ltd., based in Banja Luka registered for performing activities of providing electronic global distribution services in the tourism sector, using a computerized reservation system, industry leading products and innovative Internet solutions by registering in the Register of representative offices of foreign undertakings.

Analyzing the general terms and conditions of Subscriber agreement of the undertaking Amadeus BH, which was offered in October of 2010 to travel agencies of Bosnia and Herzegovina, and due to the collected information and data concerning the same, the Council of Competition concluded that there is reasonable suspicion that this Agreement is not in accordance with the provisions of the Act.

Article 9 of the Act provides that the undertaking has a dominant position in the relevant market of goods and / or services, if due to its market power it may act largely independently of the actual or potential competitors, customers, consumers or suppliers, or it is assumed to have a dominant position if it has a share greater than 40% on the relevant market of Bosnia and Herzegovina.

Article 10 of the Act states that any abuse of dominant position is prohibited, especially those related to direct or indirect imposition of unfair purchase or selling prices or other trading conditions, which restrict competition, as well as the conclusion of an agreement which stipulates that the other party accepts additional obligations which by their nature or according to commercial usage have no connection with the case of such an agreement.

Consequently, the Council of Competition concluded that there is a reasonable suspicion of abuse of dominant position, in terms of Article 10 paragraph (2) items a) and d) of the Act and made a decision to initiate proceedings ex officio, as cited above.

Legal remedies

Appeal against this Conclusion is not allowed.

President

Stjepo Pranjić, PhD