

# Kluwer Competition Law Blog

## Main Developments in Competition Law and Policy 2024 – Georgia

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2024 marked the 10<sup>th</sup> year since the Georgian Competition and Consumer Agency (GCCA or Agency) started operating as an independent competition enforcer. Created to satisfy an obligation under the 2014 EU-Georgia Association Agreement on maintaining “an authority responsible and appropriately equipped for the effective enforcement of the competition laws”<sup>[1]</sup> this enforcer has undergone significant transformation throughout the past decade, alongside the national legislation that it applies in practice. As the GCCA enters its second decade of operation, this blog post offers a brief overview of its enforcement activities of the past year, discusses important changes in Georgian competition legislation and soft law, and highlights national and international advocacy efforts.

### Enforcement Activities

#### *Antitrust*

Throughout 2024, the GCCA enforcement activities were characterised by several interesting trends vis-à-vis both Article 6 (abuse of dominance) and Article 7 (anti-competitive agreements) of the Georgian Law on Competition (‘GLC’). Most importantly, the Agency has been taking full advantage of the extended investigation deadline (18 months) under Article 25(2) GLC<sup>[2]</sup> for its complex cases. The GCCA ended 2024 with several ongoing large-scale antitrust investigations, some of which started as early as 2023. The only [investigation](#) completed in 2024 concerned alleged anti-competitive exclusivity clauses in vertical agreements between international payment card issuers and online discounted hotel and accommodation service providers. A comprehensive analysis of these vertical agreements did not reveal exclusivity. Hence, finding that infringement did not exist was relatively straightforward – the investigation was concluded within six months. In other instances, however, the ongoing investigations involve far more complex legal and economic analysis. Hence, the Agency opted to use extended deadlines to the fullest extent to ensure high-quality assessment.

Two additional developments showcase the increased enforcement experience accumulated within the GCCA. First, the Agency is becoming increasingly efficient in prioritising its enforcement resources. In 2024, it dismissed four antitrust complaints mainly because the standard for creating

reasonable doubt of infringements was not met at the substantive admissibility stage.[3] In doing so, the Agency clarified that it prioritises limited enforcement resources by commencing investigations only when establishing infringement is most likely. Second, the enforcer fully utilises its sanctioning powers regarding non-adherence to its information requests in ongoing investigations. In 2024, the GCCA issued seven sanctioning decisions for such non-adherence (late, incorrect and/or incomplete submissions), including repeated sanctions where the initial sanction has not yielded satisfactory results.[4] As it stands today, the first-time maximum sanction for non-adherence to information requests is 3000 GEL in Georgia (approx 1000 EUR), while any repeated sanction after that is capped at 5000 GEL (approx. 1660 EUR).[5] The Agency has used both types of sanctions in its ongoing major investigations, such as the one related to the Rustavi Automarket Ltd, a respondent in an ongoing abuse of dominance investigation. The company was **fined three times** for non-adherence to information requests. The overall sanction amounted to 13 000 GEL (approx 4 330 EUR).

Finally, the overview of 2024 enforcement activities reveals that the reputation of the Agency as an efficient enforcer has been growing among Georgian market participants. Such growth can be exemplified by the case of “Smartli Ltd”. The company complained regarding an alleged abuse of dominance in the outdoor advertising market. However, during the substantive admissibility stage, the GCCA was **notified** that the issue in question – refusal to deal – was resolved due to the admissibility proceedings initiated by the Agency. Considering the GCCA’s limited resources, such a resolution should be considered a welcome development. It allows for strengthening the competitive process in Georgian markets without the necessity of full-fledged antitrust investigations.

### *Merger Control*

2024 has been quite an active year regarding Merger Control for GCCA. There were twenty-three notifications on concentrations, out of which eighteen assessment procedures were completed by the end of 2024, all with clearance decisions. The **relevant markets** included fast-moving consumer goods (FMCG), Cement, education and insurance. The relevant market of FMCG was characterized by the highest number of concentrations, while two cases related to the relevant market of cement landed into second phase of assessment and merging parties consented on behavioral measures.[6] These two cases represent a significant development for the GCCA, as the Agency has never undertaken a second-phase assessment or issued conditional clearance before.

The above-described quantitative and qualitative shifts are partially due to the Agency’s proactive approach to detecting and sanctioning gun-jumping cases. More specifically, out of the eighteen completed clearance procedures, GCCA assessed seven cases where concentration was finalised without prior notification and one where concentration occurred during the investigation process. The Agency has been able to detect gun-jumping cases by deploying a quarterly analysis system of all the concentrations registered by the National Agency of Public Registry (**NAPR**). As NAPR represents a public agency that mandatorily registers all market concentrations conducted in Georgia, regularly screening its database is the best way to discover possible gun-jumping cases. During 2024, GCCA screened a total of 47 644 transactions and discovered thirteen instances of gun-jumping. This exercise resulted in **financial sanctions** up to 263 985.09 GEL (approx. 89 486 EU). Additionally, as GLC does not relieve sanctioned undertakings from undergoing the complete concentration assessment procedure, parties were instructed to submit the relevant notifications to

the GCCA. While most of these notifications resulted in clearance decisions, the proactive approach has definitely yielded positive results – the number of notified concentrations has almost tripled from 2023 to 2024.[7]

### *Unfair Competition and Infringement of Competition by State Bodies*

In comparison to other years, 2024 saw diminished activity in enforcing Articles 10 (infringement of competition by state bodies) and 11<sup>3</sup> (unfair competition) of GLC. No Article 10 investigation was completed in 2024. As for Article 11<sup>3</sup> cases, GCCA completed one [investigation](#) in the sector backing soda production. For both articles, 10 complaints were found inadmissible on substantive grounds overall – five concerning alleged breaches of competition by state bodies ([public infringements](#)) and the remaining five – [unfair competition claims](#). Finally, GCCA dismissed two additional claims – one regarding [public infringements](#) and another regarding [unfair competition](#) – due to their withdrawal.

It should be noted that dismissing a complaint does not deprive a person of the right to apply to the GCCA on the same subject matter, on the same basis, with the novel request to investigate the issue.

### **Amendments to the Legislation and Soft Law**

In 2024, the Government of Georgia amended the by-law on exemptions under Article 9 GLC (equivalent to Article 101(3) TFEU).[8] Principal changes were introduced to the Research and Development chapter of the by-law to bring it closer to best international practices. Additionally, the legal force of the by-law was extended until 31 December 2027, when a more significant overhaul can be expected.

Most developments happened in the soft law, especially in the area related to concentration control. In 2024, the GCCA adopted four important guidance documents in this area: [Guidance on the notion of concentration](#), [Guidance on Horizontal and Non-Horizontal Concentrations](#), and [Guidance on Structural and Behavioral Remedies in Concentration Control](#). These guidance documents were highly anticipated, especially in light of intensified merger scrutiny and gun-jumping monitoring by the GCCA. The Agency also adopted [Guidance on Dominance/Market Power](#) – a soft law document useful for both abuse and concentration cases.

### **Competition Advocacy**

#### *Market Monitoring*

In 2024, the GCCA completed [market monitoring](#) for the hazelnut and blueberry sectors, concluding that both markets were competitive. Furthermore, ongoing monitoring efforts continue in the retail trade and distribution (FMCG), auto fuel, and tobacco markets. On average, the Agency attempts to run around five simultaneous market monitorings per calendar year. Such

monitoring remains one of the most powerful GCCA tools for raising awareness among business circles regarding the importance of market competition and informing consumers about the dynamics of the markets most relevant to them.

### *International Conference on Competition and Consumer Protection*

The III international [conference](#) on competition and consumer protection was held in Tbilisi on November 20-22, 2024. Five regulatory bodies (the GCCA, the National Bank of Georgia, the National Energy and Water Supply Regulatory Commission of Georgia, the Communications Commission, and the State Insurance Supervision Service of Georgia) jointly organised the conference, which focused on strengthening competition policy and enhancing consumer rights mechanisms in Georgia.

The conference [program](#) included six working sessions and two panel discussions, bringing together both local and international experts. Topics covered activities in competition and consumer protection, addressing challenges, achievements, and best practices at both the local and global levels. Representatives from major international organisations, including ICN, UNCTAD, OECD, EU DG COMP, and EU DG JUSTICE, participated in the event alongside local stakeholders. The event featured more than 50 distinguished speakers and welcomed over 300 delegates.

The international conference remains the most significant joint effort of GCCA and sectoral regulators to raise awareness about competition issues within the country and showcase its achievements and challenges to the international audience.

[1] EU-Georgia AA, Article 204(2).

[2] The maximum time limit for investigations was prolonged from 10 to 18 months during the legislative amendments of 2020.

[3] For abuse of dominance, inadmissibility concerned the case of Ltd Metromart ([https://gcca.gov.ge/uploads\\_script/decisions/tmp/phpW1CbZv.pdf](https://gcca.gov.ge/uploads_script/decisions/tmp/phpW1CbZv.pdf)); for anti-competitive agreements, the inadmissibility concerned cases of Suntrade Ltd ([https://gcca.gov.ge/uploads\\_script/decisions/tmp/phpW1CbZv.pdf](https://gcca.gov.ge/uploads_script/decisions/tmp/phpW1CbZv.pdf)), Delta Development Group Ltd ([https://gcca.gov.ge/uploads\\_script/decisions/tmp/phpRH7MRv.pdf](https://gcca.gov.ge/uploads_script/decisions/tmp/phpRH7MRv.pdf)) and ‘Expertise, Construction, Design’ Ltd ([https://gcca.gov.ge/uploads\\_script/decisions/tmp/php0gEvIZ.pdf](https://gcca.gov.ge/uploads_script/decisions/tmp/php0gEvIZ.pdf)).

[4] See [https://gcca.gov.ge/uploads\\_script/decisions/tmp/phpRtCu6z.pdf](https://gcca.gov.ge/uploads_script/decisions/tmp/phpRtCu6z.pdf); for repeated sanctions, see also [https://gcca.gov.ge/index.php?m=352&cat\\_id=171](https://gcca.gov.ge/index.php?m=352&cat_id=171).

[5] Georgian Law on Competition (GLC), Article 32(1)-(2).

[6] See two clearance decisions by the GCCA, both dated by 31 December 2024, at <https://gcca.gov.ge/index.php?m=356&lng=eng>

[7] See the overview of GCCA’s 2023 performance at <https://competitionlawblog.kluwercompetitionlaw.com/2024/01/22/main-developments-in-competition-law-and-policy-2023-georgia/>, according to which there were only eight notifications during

2023.

[8] Ordinance of the Government of Georgia 463, 30.12.2024.

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A graphic for the '2024 Future Ready Lawyer Survey Report'. It features a dark background with a circular inset showing a gavel resting on a glowing digital circuit board. The text '2024 Future Ready Lawyer Survey Report' is at the top left. Below it, the main title 'Legal innovation: Seizing the future or falling behind?' is displayed in large white font. A blue button with white text says 'Download your free copy →'. The Wolters Kluwer logo is at the bottom left. On the right, there is a 'Future Ready' logo and a 'LAWYER' badge.

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