

## Competition - Estonia

### Merger of Boards Gives Competition Board More Power

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The government recently approved the merger of the five state agencies in the Ministry of Economic Affairs and Communications. At present there are five separate state agencies:

- the Competition Board;
- the Communications Board;
- the Energy Market Inspectorate;
- the Technical Surveillance Inspectorate; and
- the Railway Board.

After the proposed merger takes place, there will be two state agencies: the Competition Board and the Technical Surveillance Board.

The merger is expected to take place by January 1 2008.

The new Competition Board will deal with competition issues and price regulation, while the new Technical Surveillance Board will deal with technical surveillance of the railway, communications and energy sectors. The principal idea behind the merger is to strengthen the monitoring of the competition situation in Estonia. The work of the Competition Board will be more efficient and transparent since all decisions concerning competition will be made by one agency, as opposed to previously when decisions could be regulated by both the Competition Board and the Communications Board. This often resulted in a disparity between final decisions. Sometimes one authority declined from making a decision referring to the other authority's competence, eventually leading to no decision being made at all.

Estonia is small in size and there is a risk of anti-competitive agreements being concluded. The Ministry of Economic Affairs and Communications believes that the merger will bring positive effects to the Estonian economy, in both the private and public sectors, resulting in a better position for companies in the export-import market.

In addition to the supposed economic effects, the merger will prepare the agencies for better adjustment to new national and European regulations relating to competition policies. It is hoped that the merger will strengthen relations between the state agencies and the private sector, and also improve the quality and speed of the service provided to enterprises.

The merger should decrease the ambiguity between the decisions of separate institutions and give more certainty to the regulation of competition in the free economy.

*For further information on this topic please contact [Kaja Leiger](#) at [Luiga Mody Hää](#) Borenien by telephone (+372 665 1888) or by fax (+372 665 1899) or by email ([kaja.leiger@lmh.ee](mailto:kaja.leiger@lmh.ee)).*

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### Author

[Kaja Leiger](#)





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