Enforcing competition law in North Macedonia – evolving framework and practice for fair markets and consumer protection

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Introduction

North Macedonia's evolving competition law framework and antitrust enforcement practice reflects its development trajectory: a transition from a state-dominated economy to a market-oriented system driven by sustained EU integration ambitions. This article provides an overview of the historical development of such legislative framework and its enforcement in practice. It examines the powers and institutional capacity of the national competition authority and analyses the arc of its enforcement activity – from proactive early interventions against monopolised sectors, through a period of relative inactivity, to the reinvigorated enforcement practice that has defined 2025 as a record year for the authority. The article also addresses the country's competition authority's expanded mandate under the 2024 Law on Prohibiting Unfair Trade Practices in the Agricultural and Food Products Supply Chain. In sum, these developments offer a clear picture of an authority that is now better placed than ever to ensure fair markets and protect consumers.

Historical development of competition law in North Macedonia

North Macedonia's journey toward establishing effective antitrust regulations and enforcement reflects both its transition to a functioning market economy and its EU integration aspirations. The country's transition period of the 1990s was characterised by rapid privatisation of formerly state-owned enterprises, market liberalisation and the urgent need to establish legal frameworks suitable for a market-based economy.

The Republic of Macedonia, as the country was named at the time, adopted its first specialised antitrust legislation in 1999. The Law Against Restrictions in Competition was heavily influenced by Western European legal systems and reflected the immediate need of the economy to prevent abuse by newly privatised monopolies. The authority entrusted to enforce this act was the Monopoly Office, established as a body within the Ministry of Commerce.

A significant legislative transformation occurred with the adoption of the 2005 Law on Protection of Competition. The 2005 Law was drafted in line with EU *acquis* and sophisticated economic concepts, including market definition methodologies, dominance assessment criteria and merger control thresholds in line with EU competition law principles. This reflected the country's growing commitment to European integration following the conclusion of the Stabilisation and Association Agreement with the European Communities and their Member States in 2001. This legislation also established the Commission for Protection of Competition of the Republic of North Macedonia (the 'Competition Commission') as an indepedent national competition authority with significant investigative and enforcement powers. The Competition Commission took over the staff, equipment, documentation and other resources from the Monopoly Office, yet remained critically understaffed for the effective performance of its competences expected from a competition authority meeting EU standards. The national legislative framework was modernised in the 2010s, when the current Law on Protection of Competition (the 'Competition Law') was adopted, along with several key government decrees transposing relevant EU Regulations into domestic law. The

Competition Commission played an important role in further shaping the legal framework by issuing multiple guidelines clarifying the practical application of competition rules to businesses and market participants.

In its annual progress reports on North Macedonia, the European Commission highlights the need for North Macedonia to further align the legislative framework on antitrust, with the EU *acquis*. Indeed, modernisation should be on the agenda of the country's legislators as some of the EU's latest acts designed to adapt to market and technological development, such as the 2022 Vertical Block Exemption Regulation[1] and its accompanying guidelines, the 2022 Digital Markets Act and the 2014 Antitrust Damages Directive,[2] have still not been implemented into national law.

The Competition Commission's powers were expanded in 2024 with the adoption of the Law on Prohibiting Unfair Trade Practices in the Agricultural and Food Products Supply Chain (the 'Unfair Trade Practices Law'). This legislation aligned Macedonian law with Directive (EU) 2019/633 concerning unfair trading practices in business-to-business relationships within the agricultural and food supply chain.[3] The Unfair Trade Practices Law established a completely new regulatory framework specifically designed to address unfair commercial behaviours, conduct that had not previously been prohibited or regulated under domestic law. This development came at a particularly critical time, as persistent inflation highlighted the urgent need to address prevalent exploitative practices, particularly those employed by large supermarket chains, which disproportionately affected prices and consumer welfare within the essential food market and its supply chain. The Competition Commission was designated as the primary authority responsible for overseeing the implementation of this legislation.

Enforcement powers and capacity of the Competition Commission

When it comes to institutional models for enforcement of competition law, North Macedonia has adopted the administrative model, which is the more common model in the EU. Namely, the Competition Commission has the role of an administrative authority responsible for the investigation of cases and making

1 Commission Regulation (EU) 2022/720 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices [2022] OJ L134/4.

2 Directive 2014/104/EU on certain rules governing actions for damages under national law for infringements of the competition law provisions of the Member States and of the European Union [2014] OJ L349/1.

3 Directive (EU) 2019/633 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain [2019] OJ L111/59.

enforcement decisions that are then subject to judicial control.[4] In this respect, the Competition Commission's enforcement powers prescribed in the Competition Law largely resemble the European Commission's powers of enforcement set out in Council Regulation (EC) No 1/2003 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty.[5] The Competition Competition may commence an investigation into alleged infringements on its own initiative or acting on a complaint. The Competition Commission's broad investigative powers include, inter alia, the ability to:

- oblige undertakings to provide requested information;
- conduct unanounced inspection at undertakings' premises (dawn raids);
- collect evidence of illegal conduct stored in paper form, digital media or other; and
- take statements from natural or legal persons relating to the subject-matter of the investigation.

The effectiveness of the Competition Commission's inspection powers is enhanced by its authority to impose significant and effective sanctions – up to one per cent of the undertaking's group global consolidated turnover on entities failing to comply with inspection orders. This is complemented by its ability to adopt interim measures, based on initial findings of an infringement during investigation proceedings, when necessary to prevent or avoid serious and irreparable harm to competition.

All these powers would be to no avail if not backed up by an effective sanctioning system. Once the investigation proceedings are carried out, the Competition Commission has the power to impose hefty monetary fines reaching up to ten per cent of the infringing entity's global consolidated group turnover. In addition to financial sanctions, the Competition Commission can mandate behavioural and structural measures (remedies) required to eliminate any harmful consequences of the distortion of competition caused by the infringement. On the basis of the framework provided by the Competition Law, these enforcement powers may be deployed against gun-jumping violations in merger control, as well as against a

4 As opposed to the judicial or prosecutorial model. In this instance, the administrative authority performs the investigation and then brings the case before a court. The court is then responsible for making a decision on substance and on sanctions, or in regard to the imposition of sanctions only. Further on these models and their effects can be found in Paolo Buccirossi and Lorenzo Ciari, 'Western Balkans and the Design of Effective Competition Law: The Role of Economic, Institutional and Cultural Characteristics' in Boris Begović and Dušan Popović (eds), *Competition Authorities in South Eastern Europe. Contributions to Economics* (Springer, Cham, 2018) https://link.springer.com/book/10.1007/978-3-319-76644-7 accessed 24 April 2026.

5 Regulation (EC) No 1/2003 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty [2003] OJ L1/1.

range of antitrust infringements, including participation in illegal cartels and abuse of a dominant market position.

The Unfair Trade Practices Law grants the Competition Commission investigative powers mirroring those under the Competition Law. Specifically, the Competition Commission is empowered to request information and conduct dawn raids at the premises of traders suspected of imposing unfair trading practices in their commercial relationships with suppliers. It is notable that sanctions for infringements under this new law are comparatively lower than those stipulated for gun-jumping and antitrust violations under the Competition Law, ranging from a minimum fine of €1,000 for microtraders to a maximum fine of €20,000 for companies designated as big traders under local law. To ensure an efficient transition to these new regulatory obligations and framework, the Competition Commission was granted a six-month period to align its operations, organisational structure and resources with the requirements of the new legislation. During this period, a specialised division dedicated to unfair trade practices was established within the Competition Commission. This significant new oversight responsibility, however, places additional strain on the Competition Commission's already limited operational capacity. In its annual reports, submitted annually for parliamentary control and approval, the Competition Commission consistently highlights the imperative for strengthening its institutional capacity, primarily through an increase in qualified and highly educated personnel. This is deemed essential for the successful achievement of its stated goals and tasks in ensuring more effective market competition protection and successful implementation of the new Unfair Trade Practices Law.

Early years enthusiasm

The Competition Commission has developed a diverse, although modest, body of decisions and has imposed several significant fines on companies found to have committed antitrust violations. In its early years, the Competition Commission showed admirable proactivity and resolve in regulating monopolies and sanctioning instances of flagrant abuse of dominance and exploitation of consumers.

Focus was especially placed on the telecommunication sector, as this market has historically been characterised by limited competition and a particularly dominant partially state-owned market player. In the first few years after its establishment, the Competition Commission was particularly active in scrutinising the conduct of this dominant operator. For example, in 2007, it found that the operator abused its dominant position by manipulatively charging customers a small extra fixed fee for delivery of invoices.

In another case against the same telecommunications operator, the Competition Commission also determined that it had abused its dominant position by refusing to provide access to necessary infrastructure to two of its competitors, preventing them from offering internet services to customers. The Competition Commission considered that other internet service providers were put in a less favourable competitive position, effectively being foreclosed from the market. The same telecommunications company was also found to have abused its dominant position on the market for leased digital lines by imposing unfair sales prices on direct competitors. In this case, digital leased lines were determined to be an essential facility for providing internet symmetric access, a market where this provider also competed at the retail level. The company's retail prices for internet symmetric access were cheaper than its wholesale prices for 64 kbit/s digital leased lines. This created a price squeeze, ensuring end-users would pay less for internet access from the dominant provider than from its rivals, thereby strengthening its retail market dominance and disadvantaging competitors. In line with this practice, the 2010 Competition Law has explicitly regulated unjustified refusal to grant access as a distinct form of abuse of dominant position. This applies when a dominant market participant denies another market participant access to its network or other infrastructure facilities for adequate compensation, where the latter is legally or factually prevented from competing in the relevant market without such access.

In another case from this period, the Competition Commission brought action against the state-owned electricity company, which acted as supplier of electricity to tariff consumers and abused its dominant position by charging an additional fee in the monthly invoice for consumed electricity.[6]

After its initial cases in the early years, the Competition Commission has shown limited activity in identifying instances of abuse of dominant position over the past decade. In this timeframe, the Commission has adopted only three such decisions, and all these decisions concern the same case. In particular, the country's major dominant telecommunications operator and a broadcaster of sports channels were found to have abused their dominant position by refusing to conclude a wholesale broadcasting agreement for UEFA Champions League football matches. The two entities were also found to have concluded a restrictive agreement, contrary to the Competition Law.[7]

When it comes to restrictive agreements, the Competition Commission's practice has been quite diverse, covering resale price maintenance, various forms of price fixing, non-compete clauses, discriminatory behaviour and other prohibited

6 Competition Commission Decision No 09-133/4 [21 March 2008].

7 Competition Commission Decision PP No 09-3/6 [11 February 2021]; Competition Commission Decision PP No 09-11/2 [14 March 2022]; and Competition Commission Decision No 09-81/1 [13 May 2025].

contractual arrangements. Initially, some of the highest penalties were issued for resale price maintenance, involving two major local beverage producers and their distributors, with the Competition Commission imposing significant fines of several million Euros. However, these decisions did not withstand full judicial scrutiny, and the fines were subsequently reduced following remanded proceedings. The contractual arrangements in one of these cases also included non-compete clauses of indefinite duration, which are not permitted under local competition rules. The Competition Commission has also been active in detecting price fixing across various professional associations, including those representing medical practitioners, dentists, accountants and vulcanising service providers.

The Competition Commission has also successfully led a long-fought battle against big pharma. In 2016, it fined two pharmaceutical companies for bid rigging in a tender by the Ministry Health for the procurement of essential medical products, including insulin, glucagon, insulin needles, glucose test strips and insulin pumps. Following a drawn-out court process in the judicial review of the decision, the Higher Administrative Court finally confirmed the Competition Commission's decision in 2025.

Following a proactive enforcement era in its inaugural decade, the Competition Commission's antitrust activity notably decreased. This period of inactivity likely fostered an environment permissive of anti-competitive conduct, correlating with exploitative commercial practices and inflationary pressure on wholesale and retail prices. In response to these market failures, the Commission has recently shifted toward a posture of reinvigorated enforcement, aiming to restore market fairness and safeguard consumer welfare.

Refined enforcement approach to crack down on high-profile cartels

After several quiet years, 2025 was, as some commentators conclude, a record enforcement year for the Competition Commission.[8] Particular focus was put on cracking down on cartels, where a series of investigations were launched across multiple economic sectors, and these have already resulted in several infringement decisions.

In February 2025, the Competition Commission carried out dawn raids at the premises of four supermarket chains and the chambers of commerce which coordinated their actions. The inspections were prompted by suspicions that several supermarket chains, active in both food and non-food retail, may have

8 Dragan Gajin, 'Main Developments in Competition Law and Policy 2025 – Western Balkans' [3 February 2026] Kluwer Competition Law Blog https://legalblogs.wolterskluwer.com/competition-blog/main-developments-in-competition-law-and-policy-2025-western-balkans/ accessed 24 April 2026.

entered into agreements or coordinated practices aimed at distorting competition. During the dawn raids, officials examined company records and electronic communications, uncovering evidence of a potentially unlawful agreement to coordinate conduct and jointly refrain from purchasing goods from suppliers that had introduced a new pricing structure. The Competition Commission classified the coordinated behaviour as an illegal restriction by object, the most serious form of infringement under the Competition Law. It rejected justification arguments relying on consumer benefits and imposed monetary sanctions totalling approximately €218,600 for all participants.

A month later, the Competition Commission announced that it had uncovered another potential cartel, this time in the insurance sector. After being tipped off by the Ministry of Finance, the Competition Commission initiated investigations against ten of the largest insurance companies in North Macedonia and conducted dawn raids on the premises of the insurers, acting on allegations that they may have colluded in a manner directly detrimental to consumers and businesses in the country. According to the Competition Commission, evidence was found that the ten insurers engaged in coordinated practices in the period between 1 March and 7 May 2024. The conduct is considered to have been aimed at distorting competition by coordinating the increase of the sale price of the administrative surcharge, which represents the premiums or commissions charged for performing insurance activities. This surcharge forms part of the insurance premium paid by motor vehicle owners to cover liability for damages caused to third parties, and its payment is mandatory at the time of vehicle registration. The Competition Commission assessed that such conduct also constitutes a restriction of competition by object, as by exchanging information and making parallel pricing decisions, independent business policy was replaced with coordinated market conduct, which is strictly prohibited. The Competition Commission imposed hefty fines totalling approximately €280,000: an average fine for each insurance company involved of around €28,000.

These recent cases may signal a turning point for the Competition Commission, suggesting a readiness to deploy its enforcement powers more aggressively. In particular, the Competition Commission appears prepared to conduct dawn raids more regularly – an investigative tool that was that was rarely utilised in the past. Until 2017, the Competition Commission relied exclusively on formal requests for information during the evidence gathering phase of its investigations, with unannounced inspections remaining exceptionally rare until 2025.

Prior to these intensified efforts to dismantle cartels, the Competition Commission had unveiled a comprehensive leniency programme designed to incentivise cartel participants to self-report their unlawful conduct and to cooperate with ongoing investigations. The programme offers complete immunity from fines to the first company that discloses cartel activity, provided that it satisfies strict eligibility requirements. To qualify for full immunity, an applicant must be the first to report the infringement and provide sufficient evidence to justify dawn raids or the initiation of formal proceedings; it must also ensure continuous cooperation throughout the investigation, immediately cease the prohibited conduct and maintain confidentiality regarding the application until the Competition Commission issues a preliminary notice. To encourage participation, a number of procedural safeguards have been implemented, including immediate confirmation of application, guaranteed protection of anonymity and accessible communication channels. At the same time, the programme maintains rigorous conditions – applicants who fail to comply with the requirements for leniency will forfeit the benefits, while undertakings that played a coercive role in inducing other parties to join a cartel are eligible only for reductions of fines rather than full immunity.

The leniency programme serves as a complementary instrument to the Competition Commission’s investigation strategies, establishing a dual approach that not only acts as a deterrent against the formation of cartels but also facilitates their detection and prosecution when such illegal arrangements do occur. By encouraging cartel members to come forward and provide valuable information, the programme is expected to reinforce the Competition Commission’s enforcement mechanisms.

Protecting consumers by tackling unfair trade practices

Given that this is an entirely new area of law, and the regulatory framework lacked prior established practice, the Competition Commission conducted extensive consultations and educational activities with stakeholders and relevant parties from the adoption of the Unfair Trade Practices Law until the end of 2024. These consultations included meetings with representatives of suppliers and buyers of agricultural and food products, designed to clarify the newly introduced rules and restrictions. As of early 2025, the Competition Commission initiated the practical implementation of the Unfair Trade Practices Law and began active market oversight. Despite initial concerns regarding its personnel and financial capacity for effectively managing this new responsibility, the Competition Commission addressed these challenges by recruiting new staff for the specialised division dedicated to unfair trade practices.

In April 2025, the Competition Commission issued a press release stating that major retail chains, supermarkets, suppliers, and distributors should expect more frequent on-site inspections and controls to monitor their adherence to the Unfair

Trade Practices Law. The press release included the following warning, issued to market participants by Commission President Malinka Siljanovska Nikolic:

> 'The law is clear – fair trade is not an option, but an obligation. We are not fighting against businesses, but against injustice. Where abuse is found, the Commission will act. But the goal is not repression but establishing a culture of fair market play.'[9]

Early enforcement actions, primarily from mid to late 2025, resulted in several penalties against major retailers and food suppliers. For instance, initial decisions issued in June 2025 saw two large retailers fined €9,000 and €15,000, respectively, followed by a food supplier receiving a €5,000 fine. Further decisions in July and September 2025 resulted in fines of €10,000 and €14,500 against other prominent market players. By December 2025, one leading supermarket chain received the maximum fine of €20,000. Additionally, the managers of these companies were also subjected to separate albeit small misdemeanor fines of €350. It is important to note that all parties retain the right to appeal these decisions, making the final outcomes subject to potential revision.

Further reforms to the Unfair Trade Practices Law are reportedly under consideration, particularly concerning the penalty framework. Proposals indicate a significant escalation of fines for major market players, such as large retailers, with potential penalties reaching up to €400,000. This amount constitutes a substantial sum within the economic context of North Macedonia. Crucially, the proposed amendments would also introduce penalties for suppliers who tacitly accept unfair trading practices imposed by traders – a category of infringement not previously addressed by the law. These potential changes underscore the core objective of the Unfair Trade Practices Law – to protect producers and suppliers, thereby indirectly benefitting consumers. Moreover, the reforms aim to protect domestic companies and producers from being relegated to a subordinate position by dominant market players or large regional players, ensuring fairer terms regarding competitiveness, pricing, and market visibility. This anticipated strengthening of the enforcement regime signals a commitment to promoting fair commercial relationships within the food supply chain.

Conclusion

The evolution of antitrust enforcement in North Macedonia reflects a dynamic adaptation to the nation's market economy. From its earlier years, characterised

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9 'Fair trade is not an option, but an obligation – in a strong economy everyone plays by the same rules' [23 April 2025] Vecer www.vecer.press/fer-trgovijata-ne-e-opczija-tuku-obvrska-vo-silna-ekonomija-site-igraat-po-isti-pravila/ [in Macedonian] accessed 2 June 2026.

by a focused drive to regulate monopolies or near-monopolies in crucial sectors and address concerns in industries like big pharma, the Competition Commission demonstrated a foundational commitment to market fairness. This initial period laid important groundwork, even if it was subsequently followed by years of comparative inactivity, which, as explored, inadvertently contributed to certain market vulnerabilities.

However, the present era signals a significant maturity in the Competition Commission's approach, evolving into a more refined enforcement practice. Armed with what can be described as a Swiss army knife of investigative powers, the Competition Commission is more regularly using dawn raids and actively promoting leniency programmes to uncover hidden cartels. This comprehensive and proactive approach underscores that the Competition Commission's enforcement policy and practice has profoundly developed.

As a result, the Competition Commission is now far more prepared to effectively carry out its mandate, fulfilling its statutory role as the primary enforcement authority for competition law and market oversight. This institutional capacity is crucial for overseeing competition within North Macedonia's increasingly maturing market economy, thereby ensuring fair markets and effective consumer protection and welfare.

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