



Sweden is a country in North Europe and a member of the EU (1995). With an area of 450,000 km<sup>2</sup> (174,000 sq.mi.), Sweden is one of the largest countries in Western Europe. It has, however, only nine million inhabitants. This is equivalent to 20 inhabitants per square kilometre.

### Economy<sup>1</sup>

Sweden's position as one of the world's most highly developed post-industrial societies looks fundamentally secure. Unemployment is rather low and the economy strong.

Aided by peace and neutrality for the whole 20<sup>th</sup> century, Sweden has achieved an enviable standard of living under a mixed system of high-tech capitalism and extensive welfare benefits. It has a modern distribution system, excellent internal and external communications, and a skilled labour force.

Sweden is highly dependent on international trade to maintain its high productivity and good living standards. In 2003, exports were equivalent to 44 percent of GDP. The most important export markets are in Western Europe. More than half of Swedish exports go to other members of the EU.

Timber, hydropower, and iron ore constitute the resource base of an economy heavily oriented towards foreign trade. Privately organised firms account for about 90 percent of industrial output, of which the engineering sector accounts for 50 percent of output and exports. Agriculture accounts for only two percent of GDP and two percent of the jobs. During the period 1980-2003, services gradually increased their share of business sector employment from 47 percent to 60 percent, while manufacturing fell from 32 to 25 percent.

Like many other highly developed industrial countries, Sweden has experienced weaker growth in recent decades.

### PROFILE

Population:	9.0 million***
GDP (Current US\$):	301.6 billion***
Per Capita Income: (Current US\$)	28,910 (Atlas method)*** 26,050 (at PPP.)
Surface Area:	450.0 thousand sq kms.***
Life Expectancy:	80.1 years**
Literacy (%):	- - (ages 15 and above)
HDI Rank:	2

#### Sources:

- World Development Indicators Database, World Bank, 2004
- Human Development Report Statistics, UNDP, 2004

(\*\*) For the year 2002

(\*\*\*) For the year 2003

Between 1980 and 2003, GDP rose by an average of 2.0 percent annually. This can be compared with 3.3 percent in the 1950s and 4.6 percent in the 1960s.

The Swedish economic crisis of the early 1990s was the thorniest situation that the country's economy had faced since the depression years of the 1930s. These economic reversals coincided with an international recession, but the decline in output and employment was on a larger scale than in other comparable countries. A number of domestic factors contributed to this development. Of central importance was the transition from high to low inflation.

After the 1991-1993 recession, the economy recovered significantly. GDP climbed by an average of 3.2 percent annually between 1993 and 2000. Behind higher output in recent years has been a substantial growth in exports. The competitiveness of Swedish industry has greatly improved. Capital spending has also risen rapidly. In 2004, signals of a cyclical recovery have become increasingly clear. Economic activity has also accelerated. The strongest signs of recovery are noticeable in the export industry.

\* Original paper submitted in January 2005. Revised in August 2005 & April 2006. Katarina Olsson is the author of only the section on competition, while the other bits have been done by CUTS staff.

1 [http://www.sweden.se/templates/cs/BasicFactsheet\\_\\_\\_2636.aspx](http://www.sweden.se/templates/cs/BasicFactsheet___2636.aspx)

Sweden is among the EU countries that have implemented the most far-reaching reforms of public services. It has deregulated postal services, telecommunications, domestic civil aviation, railroads and the electricity market. The purpose of such deregulation is to achieve lower prices and higher quality for the benefit of consumers. As a consequence of deregulation, number of service providers in these fields has increased.

### **Economic Policy Regime<sup>2</sup>**

Due to the economic crisis of the early 1990s faced by Sweden, it became necessary to take steps to reverse the trend toward escalating State budget deficits. The crisis helped increase awareness of the need for structural reforms and changes in economic policy and its framework. Consequently, economic policy changed in a number of respects. A series of structural reforms were enacted. Meanwhile, clear fiscal and monetary policy goals were formulated. Sweden gave up its fixed exchange rate policy and introduced floating exchange rates.

In 1993 Sweden introduced a new, stricter Competition Act, expressly prohibiting anticompetitive collaboration between companies and abuse of a dominant market position. During the 1990s, a number of goods and service markets were deregulated, including transportation, telecommunications and electricity. In some cases, this meant the dissolution of earlier government monopolies. Labor legislation was also adjusted to meet demands for greater flexibility. Among other things, these changes made it easier for companies to hire temporary employees.

In 1995, Sweden became a member of the EU. In recent years, the country has taken a number of significant steps to raise the efficiency of its public sector, for example by allowing more competition. State grants to local governments have been restructured in order to streamline resource utilisation. A new Act on public procurement has been adopted.

The Government's commitment to fiscal discipline resulted in a substantial budgetary surplus in 2001, which was cut by more than half in 2002, due to the global economic slowdown, declining revenue, and increased spending.

### **Competition Law: Evolution and Environment**

In Sweden, as in many other smaller western European countries, the development of competition law has been fairly circumspect. In the middle of the 1800s, restrictions on commercial activities were replaced by a general rule of freedom of commercial activity. Restrictive agreements were considered as binding and valid according to the general rule of *pacta sunt servanda* – freedom of contract – far into the 20th century.

The policy standpoint behind the 'new' competition policy in Sweden in the early 1990s was the fact that competition within parts of the economy was considered to be insufficient and competitive pressure had to be strengthened. A competition regulation with stricter rules was considered necessary as one of many means to promote growth and efficiency on the Swedish market. There was a need to view the situation in a national perspective as well as in the international environment.

### **Competition Law and Policy**

The Competition Act of 1993 (SFS 1993:20)<sup>3</sup> is the legislative framework for Swedish competition law. It was enacted after a number of public investigations and also a number of suggestions as regards the direction of competition policy and content of the Act. The Act is modelled on the competition rules of the EU. Compared to its predecessors, the current Act represents a dramatic change in position. The previous 'principle of abuse' was abandoned and the Act rests on the prohibition principle. The Act contains two general prohibitions, one against anticompetitive cooperation between undertakings and another against abuse of a dominant position. The Act also contains rules on M&As similar to those of the EU.

The Act is intended to promote effective and workable competition and sets out firm rules for undertakings, with effective sanctions to restrain them from restrictive concentration and abuse. This also includes protecting consumer interests. It is explicitly stated in Section 1 that the purpose of the Act is to set aside and counteract restrictions on effective competition regarding production of, and trade in, goods and services. The Act is general in the sense that it covers all sectors of the economy. It applies to all companies, authorities and persons involved in commercial activities.

The effects-doctrine is used in order to decide whether a restrictive behaviour concerns the application of the Swedish Competition Act or not. An action that has effects on the Swedish market is covered by the Competition Act. It is irrelevant where the involved companies are registered or carry out their business. The decision of jurisdiction and the limit of extraterritorial application of national rules are left ultimately to the courts to decide, within the limits set by rules of public international law.

### **Competition Rules in a National Environment**

Swedish domestic competition legislation aims to correspond, as far as possible, to EC rules. It is stated in the preparatory discourse on the Competition Act that the substantive rules should be interpreted against the background of the practice of the European Community (EC) Commission and the European Court of Justice (ECJ),

<sup>2</sup> [http://www.sweden.se/templates/cs/BasicFactsheet\\_\\_\\_2636.aspx](http://www.sweden.se/templates/cs/BasicFactsheet___2636.aspx)

<sup>3</sup> Information in English on the Competition Act is found on the Competition Authority web site, [http://www.kkv.se/eng/competition/competition\\_legislation.shtm](http://www.kkv.se/eng/competition/competition_legislation.shtm).

as well as taking into consideration the practice from other countries that apply the 'prohibition principle.'

Swedish courts must apply Articles 81 and 82 of the EC Treaty as these provisions have direct effect.<sup>4</sup> At a first glance, it seems quite easy to work with two sets of competition rules – the EC system and the national system – that are basically identical. One has to bear in mind though, that the EC competition rules rest on the general principles and aims of the EC Treaty. This means that one has to take into account different interests when applying or interpreting the rules. A competition question could be solved differently under EC rules and national rules although the wording of the rules is identical. The interests and purposes of the rules are not always identical.

Rules affecting competition and in the wider sense consumers consist of a vast variety of legal instruments spread out in many different legal acts and statutes in Sweden. The policy arguments and values that are reflected in the rules cannot easily be summarised or condensed under one heading. In this paper, the basic structure of the most important rules in competition law and consumer related law is presented.

The rules provide a basic framework for business activities in the market and involves questions of, *inter alia*, abusive conduct, misleading marketing, product safety, consumer contracts and door-to-door sales. The basic aim of the rules is to guarantee effective and fair competition among undertakings and to protect consumers. Some of the rules are directed towards the individual contract or behaviour in the market whereas for others it is a question of regulating a behaviour or conduct of a more general character. The system of remedies and sanctions often falls into two parts: administrative measures or sanctions of a private law character.

Competition law is not an isolated area of law but has to be examined in conjunction with rules and principles from neighbouring fields. For Sweden being a small country dependent on trade with other countries – it is also important to consider the impact of competition from abroad. Sweden's membership of the EU has greatly influenced legislation in many areas. The Competition Act of the early 1990's is modelled on the basic rules of EC competition law. The accession to the EU meant that market and consumer law rules have to a large extent been harmonised through EC Directives.

During the past 20 years, legislation in the area of competition, marketing and consumer protection has

developed extensively. The primary sources of law are the various statutes. The preparatory discourse to the statutes are easily accessible and are used to assist the application and interpretation of the rules. Several statutes contain rather flexible rules giving room for the balancing between different interests recognised in law such as efficiency and ethics. The courts will set the borders for what is accepted behaviour.

### **Institutions and its Competencies**

The enforcement and supervising authorities – the competition authority and the Consumer Agency – are entitled to issue regulations, notices and guidelines on certain issues. Such documents are often developed after consultations with the relevant business organisations.

The competition authority is the central public authority for dealing with competition questions and cases and is equipped with powerful tools for carrying out its mission.<sup>5</sup> Two courts – the District Court of Stockholm and the Market Court – are designated as responsible for dealing with competition questions on appeal from the competition authority.

The overwhelming majority of cases that are settled by a formal decision by the competition authority are not appealed. To complicate the picture, the general courts also possess competence to apply certain sections of the Competition Act as well as Articles 81 and 82 of the EC Treaty in a private law case on e.g. breach of contract. A question of damages according to Section 33 of the Competition Act can also be raised in the general courts. The EC Commission<sup>6</sup> cooperates closely with the competition authority. This is as of May 01, 2004 organised within the European Competition Network.<sup>7</sup>

The authorities and the Market Court have issued a large number of decisions and judgements, many of which deal with fundamental issues. The competition authority has so far handled thousands of cases related to the Competition Act. Very few of these have been appealed to the courts. The fundamental changes in competition policy and regulation that took place in the early 1990s mean that previous case law is now largely irrelevant.

### **Anticompetitive Business Practices**

#### **• Prohibition against Anticompetitive Cooperation**

Section 6 of the Competition Act prohibits agreement between two or more undertakings, which has the aim of restricting, limiting or distorting competition on the market to an appreciable extent, or if it leads to such results. The wording of the section follows closely the wording of

4 This also follows from Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty *Official Journal L 1, 04.01.2003, pages 1-25*. The modernisation process within the EU aims – among other things - at decentralizing the application of EC Competitions rules, see <http://europa.eu.int/comm/competition/antitrust/legislation/>.

5 See the Competition Authority web site at [http://www.kkv.se/eng/eng\\_index.shtm](http://www.kkv.se/eng/eng_index.shtm).

6 [http://europa.eu.int/comm/competition/index\\_en.html](http://europa.eu.int/comm/competition/index_en.html)

7 Commission Notice on cooperation within the Network of Competition Authorities *Official Journal C 101, 27.04.2004, pages 43-53*.

Article 81(1) of the EC Treaty. In Section 6, para. 2, a number of examples of co-operation are given that are regarded as being particularly restrictive in terms of competition. The nullity sanction provided in Section 7 is identical to Article 81(2) and the possibility of individual exemption that follows from Section 8 is identical to Article 81(3). The only difference of significance between the EC rules and the Competition Act is that the Swedish rules lack the requirement that trade between Member States is affected. Of course this is a logical difference and gives a clear indication of the limit of jurisdiction.

**Box 96.1: Prohibition Against Anticompetitive Cooperation**

Swedish and Danish concrete producers agreed to cooperate to deliver concrete to the very large and unique project of building a bridge between Sweden and Denmark. The Swedish company wanted to keep its ordinary customers and in order to do so – due to the size of the project and the concrete needed – it had to cooperate with another concrete company.

Although the agreement was considered to restrict competition it was cleared by the Market Court due to the ‘special conditions’ in the case. It was an extremely big project as regards economic commitments, risks and material use. The supplier had to possess experience, knowledge, capacity and economic resources that was extra ordinary. The conditions for competition were therefore considered to deviate from what is considered normal on the Swedish market.<sup>8</sup>

• *Prohibition against Abuse of a Dominant Position*

Section 19 sets out a prohibition against abusive exploitation of a dominant position by one or more undertakings. Section 19, Competition Act, and Article 82, EC Treaty, are identically worded, except for the prerequisite of cross-border trade. Section 19 provides a number of examples of practices that can be regarded as constituting abuse. There is no possibility for an exemption and there is no nullity sanction. For the prohibition to be applicable, an undertaking is required to have not only a dominant position on the market, but also be abusing this position. Being dominant is not in itself prohibited; what is prohibited is the abuse. A dominant position means that an undertaking occupies such a position that it is possible for the undertaking in question to prevent effective competition by acting independently of its competitors and customers and ultimately of consumers.

In order to determine dominance, the market has to be ascertained. Of critical importance in determining the

product market is the extent to which one product can substitute another. Products with comparable characteristics in terms of price and usage are usually a part of the same product market. As a rule a dominant position is based on a number of factors, each of which in itself does not necessarily have to be critical. Examples of factors that are important are financial strength, barriers to entry on the market, access to capital goods, patents and industrial property rights as well as technology and other knowledge-oriented advantages. An important factor is the market share of the undertaking in the relevant market.

**Box 96.2: Abuse of Dominant Position**

The airline company SAS was considered to abuse its dominant position by offering a bonus system on domestic flights. When flying with SAS the customer received a certain number of ‘points’ that could later be used to ‘buy’ free tickets. The Competition Authority regarded the bonus system a forbidden loyalty program. According to the Market Court, the bonus system was an abuse of dominant position, but only on domestic connections where SAS met competition from other airline companies.<sup>9</sup>

• *Concentrations*

The rules on notification of so called concentrations (basically defined as mergers and acquisitions) in Sections 34-40, Competition Act, resemble those of the EC<sup>10</sup> but are adjusted to Swedish conditions. All concentrations that involve companies with a total annual turnover exceeding four billion SEK are to be notified to the competition authority.

After notification, the Authority has 30 days to consider whether to pursue a special investigation of the concentration agreement. This is a stand-still-period under which the agreement may not be consummated. If the competition authority finds that the agreement contains restrictions on competition, an action can be initiated before the District Court of Stockholm with the aim of prohibiting the concentration. The competition authority cannot itself prohibit a concentration and the decision is left to the Court.

A concentration can be stopped if it would entail considerable restriction on competition. The Competition Act contains the possibility of choosing a less intervening method, an injunction for the acquirer to sell off part of the business or perform some other type of action that is positive for competition. Such an injunction is used if it is considered enough for preventing the harmful effects of a concentration. There is no possibility under the

8 MD 1997:15 Cementa/Aalborg Portland.

9 MD 2001:4 SAS-Eurobonus.

10 Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation), *Official Journal L 24, 29.01.2004, pages 1-22.*

Competition Act to break up an existing company. At the time of writing no acquisitions have been prohibited by the District Court of Stockholm.

### Box 96.3: Concentration

A company acquired assets related to a mill factory. The acquisition consisted of equipment but an important part of the acquisition was a couple of supply agreements that the buyer was to 'take over' from the seller. Due to the importance of the supply agreements in the transaction, the buyer had to agree to a rather short period of the supply agreements in order to avoid a dominant position on the mill market and a subsequent discussion on restrictions of competitive pressure. The acquisition was cleared after commitments from the buyer.<sup>11</sup>

#### • *Enforcement, Remedies and Sanctions*

The Competition Act provides several administrative remedies and sanctions and also two remedies used in private enforcement. The competition authority may enforce the enforcement of a certain agreement or concerted practice or the abuse of a dominant position and the Competition Act provides for the possibility of remedies of an administrative character, such as fines and injunctions.

A new form of fine – competition damage fine (*konkurrensskadeavgift*) - an administrative penalty, was introduced by the Competition Act. The fine can be imposed in cases of breach of Sections 6 and 19. The fine shall be at the level between 5,000 SEK and not more than ten percent of the annual turnover of the company. When deciding the sum, considerations shall be made regarding the gravity and duration of the anticompetitive conduct. In some cases that come under the purview of Section 19, the competition authority has levied fines for harmful competition as a clear signal to the actors on the market of the importance to respect the rules of competition law. Infringement of competition law is not regulated in Swedish criminal law.

An undertaking must by itself, and at its own risk, decide whether an agreement is covered by an exemption, either under Section 8 or under one of the group exemption regulations and thus exempt from the prohibition in Section 6. These considerations involve no actions by the Authority.

The competition authority can order an undertaking to provide information. The Authority also has the power to carry out investigations, including "dawn raids" to collect evidence of a suspected forbidden restrictive behaviour.

Private law sanctions are nullity and damages. The sanction of damages in Section 33 as well as the sanction of nullity in Section 7 also invites the parties to solve their disputes within the private domain as a private law case in a general court. There are no special statutory rules for private enforcement. A competition law question can arise in a proceeding under contract law, concerning *e.g.* a breach of contract, where the defendant can argue that although he has committed a breach of contract the contract is invalid under the Competition Act. It is for the general court to consider whether the Competition Act or the EC competition rules are applicable in relation to the defendant's argument. The competition rules – mainly the nullity sanction – will operate as a defence.

Section 7, Competition Act, states that a forbidden contract is void; this means void *ex tunc*, *i.e.* from the very entering into the contract. As in EC law, only the forbidden clause or clauses are declared void unless the clauses are of such importance to the fulfilment of the contract that the whole contract shall be declared void. The effects of the nullity sanction have to be found in the national rules on void contracts. Section 33, Competition Act, states that an undertaking breaking the rules in Sections 6 or 19 of the Act shall compensate an injury caused to another undertaking or a contractual party. Liability only occurs if intent or negligence caused the damage.

#### **Sectoral Regulation<sup>12</sup>**

Previous monopoly markets such as telecommunications, and electricity have undergone sweeping changes as a result of technological progress, internationalisation and new patterns of customer demand.

#### ***Telecommunications Sector<sup>13</sup>***

Until July 1993 no specific regulation of telecommunications services in Sweden existed. Televerket, the former sole provider, had formal monopoly rights on service provision and on connecting terminal equipment. The connection monopoly was gradually lifted during the 1980's. To ensure the functioning of the already liberalised sector, a Telecommunications Act was introduced, in July 1993.

Post- och telestyrelsen (PTS) the Swedish National Post and Telecom Agency, is the governmental authority that monitors the electronic communications and postal sectors. PTS works in four primary areas: consumer issues; competition issues; efficient utilisation of resources and secure communications. The agency actively promotes healthy competition and supervises price trends. PTS also issues regulations and ensures that existing legislation is followed. Operators wishing to start or conduct postal and

<sup>11</sup> The Competition Authority case no. 694/2000 Cerealia.

<sup>12</sup> This section has been written by Manish Agarwal of CUTS in April 2006

<sup>13</sup> <http://www.pts.se/Sidor/sida.asp?SectionId=803> (website of Swedish National Post and Telecom Agency)

telecom operations are required to apply to PTS for a licence. PTS is also in charge of the Swedish numbering plan and allocates number resources to telecom operators. PTS is also responsible for allocating frequencies within Sweden, as well as coordinating its operations with other countries.

A new Electronic Communications Act, EkomL (2003:389) came into force in July 2003, replacing the Telecommunications Act. The aim is to create a cohesive, technologically neutral law for all e-communication. The basic principle is that regulation must be more flexible. The Act is based on a number of directives adopted by the EU. Central to the Union's new regulatory framework is an endeavour to develop e-communication in such a way that general competition law will suffice as an instrument for ensuring sound competition. As competition develops, the aim is to let special legislation give way to general competition law. During the transition, however, the two sets of regulations will exist side by side, and the competition-enhancing provisions in the new act should therefore be seen as a supplement to competition law.

Under the Act on Electronic Communication, the National Post and Telecom Agency, is required to impose competition enhancing requirements on companies having a significant market power (SMP) in the market. Further, within the framework of the new law, the National Post and Telecom Agency (PTS) shall request written statements by the competition authority before the agency makes decisions in certain issues. During 2005, for instance, the competition authority issued a statement on the PTS proposal of obligations of companies with considerable impact on one of the markets set by the PTS (Reg. no. 134/2005).

### **Energy Sector**

The electricity sector in Sweden is in three parts: production, network activities (distribution and transmission) and electricity trading. In 1996, both electricity production and electricity trading were opened to competition. Network activities were viewed as a natural monopoly and were exempted from competition.

When the electricity sector underwent regulatory reform, network activities were left as a monopoly, both in the case of local electricity networks (distribution) and in the case of high-voltage grids (transmission). Transmission is the responsibility of Svenska Kraftnät, a public enterprise. This monopoly position means that network companies do not need to compete with one another in their region, which in turn means there is a risk they may overcharge their customers. To preclude such a development, a special model has been introduced in Sweden for regulating

network tariffs, known as the Performance Assessment Model. It is based on estimates of network companies' performance, i.e. number of customers, amount of energy transmitted, and efficiency etc. When companies overcharge in relation to their estimated performance, they are further scrutinised and obliged to make repayment.

The Swedish Energy Agency was formed in 1998. It is Sweden's national authority on issues regarding the supply and use of energy. It works towards transforming the Swedish energy system into an ecological and economically sustainable system through guiding state capital towards the area of energy. This is done in collaboration with trade and industry, energy companies, municipalities and the research community.

The Government has established the Energy Markets Inspectorate as part of the Swedish Energy Agency. The Inspectorate provides a common channel for the collection and analysis of data from the energy markets, and also exercises surveillance over the electricity, natural gas and district heating markets. The Performance Assessment Model has been developed by the Inspectorate, which it uses to identify whether local network distribution utilities are charging unreasonable tariffs. The model was used for the first time in 2004, producing results that prompted the Inspectorate to carry out further investigations of 43 network utilities.

### **Consumer Protection**

Sweden's consumer policy (under a statute) is, to a great extent, based on prevention, which consists of consumer education and information, market surveillance, and product improvement through testing.<sup>14</sup> The emphasis is on cooperation amongst the various parties, on a close collaboration between public and private consumer bodies and on the part played by the business community in improving the position of consumers in the market. Many consumer organisations also represent consumer interests.

The private law aspects of consumer legislation involve consideration of the specific agreement focusing on one or several clauses in the agreement. From a consumer private law perspective, many of the rules have emerged from rules in the general contract and sales legislation. Today, there are also a number of acts of market law character that protect consumers as a group.<sup>15</sup> Most rules in consumer legislation are of mandatory character. Many of the Acts in this area consist of rather detailed and sometimes complicated rules.

In Sweden, consumer protection against business malpractice in general is largely a product of the early 1970s. At that time the first Marketing Act was launched,

<sup>14</sup> The Consumer Agency has information in English at [www.konsumentverket.se](http://www.konsumentverket.se).

<sup>15</sup> See e.g. Consumer Credit Act (SFS 1992:830), Consumer Services Act (SFS 1985:716), Consumer Sales Act (SFS 1990:932) Price Information Act (SFS 2004:347), Act on Package Trips (SFS 1992:1672), Consumer Insurance Act (SFS 1980:38), Door-to-Door Sales Act (SFS 2000:274), Debt Forgiveness Act (1994:334).

along with the setting-up of the Consumer Ombudsman and the Market Court. The legislation in this area does not interfere in the specific agreement but rather regulate the actions of undertakings on the market generally.<sup>16</sup> The rules see to the protective interests of consumers as a group. The law deals with problems that arise when businessmen use their superior bargaining power *vis-à-vis* the consumer in an unfair way. Mandatory legal rules and direct interventions form an important basis of consumer protection. Values, such as good ethical standards are important.

Much of the work of implementing consumer policy is founded on results achieved by negotiations, agreements and recommendations. As the very low proportion of injunctions and of cases brought to court indicates, the advocacy approach has been successful.

Marketing law regulates various types of marketing and advertising in the market by various media. Commercially oriented messages have to comply with rules in the marketing law as regards fairness and credibility. The aim of the Marketing Act (SFS 1995:450) is to promote the interests of consumers and the business community in connection with marketing activities and to counteract marketing that is improper or unfair.

Several institutions have been created in order to guard the consumer's position on the market. These are the Consumer Agency, the Consumer Ombudsman, the National Board for Consumer Complaints and the Market Court. The Market Court belongs to the organisation of courts with special tasks and is the apex court on market, consumer and competition questions. The role of the Market Court is to create precedents and to lead the development of competition law and market law in Sweden. The institutions and courts play an important role as generators of legal norms (binding as well as non-binding).

### **Concluding Observations and Future Scenario**

The future development of the Swedish competition law will to a large extent be closely parallel with the development of EC competition law, while at the same time taking account of specific Swedish conditions. With a population of only 9 million, the Swedish industry is largely dependent on trade and business with other countries. The international involvement will continue to be important. So far, we have seen few cases in the courts but we can probably expect more competition law questions to be raised by parties in the general courts. Competition law is constantly developing as the Swedish society develops and changes.

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<sup>16</sup> The main legal acts from a consumer point of view of market law character are the Marketing Act (SFS 1995:450), the Consumer Contract Terms Act (SFS 1994:1512) and the Product Safety Act (SFS1988:1604).

### **Suggested Readings**

Katarina Olsson, Market and Consumer Law, Chapter 12, in *Swedish Law in the New millennium* (Michael Bogdan ed. (2000). *Competition in Sweden 2004, 2005; Monopoly Markets in Transition 2004; Annual Report 2005* (Swedish Competition Authority publications)  
*Energy in Sweden 2005*, Swedish Energy Agency

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