

Launch of Report:

Access by consumers to essential services: Energy, water and sanitation

22 November 2022

Room XXIII, Palais des Nations, Geneva

**Address and enhance consumers' access to essential services, in particular
energy**

Presented by:

Ms. Natalie Harsdorf-Borsch

Acting Director General

Austrian Federal Competition Authority

This material has been reproduced in the language and form as it was provided. The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

Address and enhance consumers' access to essential services, in particular energy

Natalie Harsdorf-Borsch

Acting Director General

Austrian Federal Competition Authority

Vienna, 22 November 2022



Agenda

I. Sector inquiry EV charging infrastructure

- Background
- Scope/Approach
- Main findings

II. Sector inquiry Fuel Market

- Background
- Scope/Approach
- Main findings

III. Other

Address and enhance consumers' access to essential services, in particular energy



Sector inquiry EV charging infrastructure - Background

- AFCA may conduct a **sector inquiry** where circumstances lead the Authority to suspect that **competition** in a **specific sector** of the economy is **restricted** or **distorted** (Section 2 Competition Act)
 - Previously on taxi and private hire car market, health market, ATM fees, telecom sector and **fuel market**
- **Energy transition** is a national and international priority
- AFCA has launched a **sector inquiry on the public charging infrastructure for electric vehicles (EV)** in Austria in November 2021 (including the expertise of E-Control)
 - AFCA has received several **complaints** from market participants

Sector inquiry EV charging infrastructure – Scope/Approach

- **Objective**
 - Identification of **potential competition issues** in relation to the EV charging sector
 - Promote **fair and diverse competition**
- **Scope**
 - Focus on **public charging infrastructure** for EV
 - In distinction to semi-public and private charging infrastructure

Sector inquiry EV charging infrastructure – Scope/Approach

- **Approach**
 - Screening of relevant publications
 - **Market inquiry**
 - In-depth discussions with **stakeholders**
 - Undertakings, interest groups, institutions and authorities (especially with regulator E-Control)

Sector inquiry EV charging infrastructure – Scope/Approach

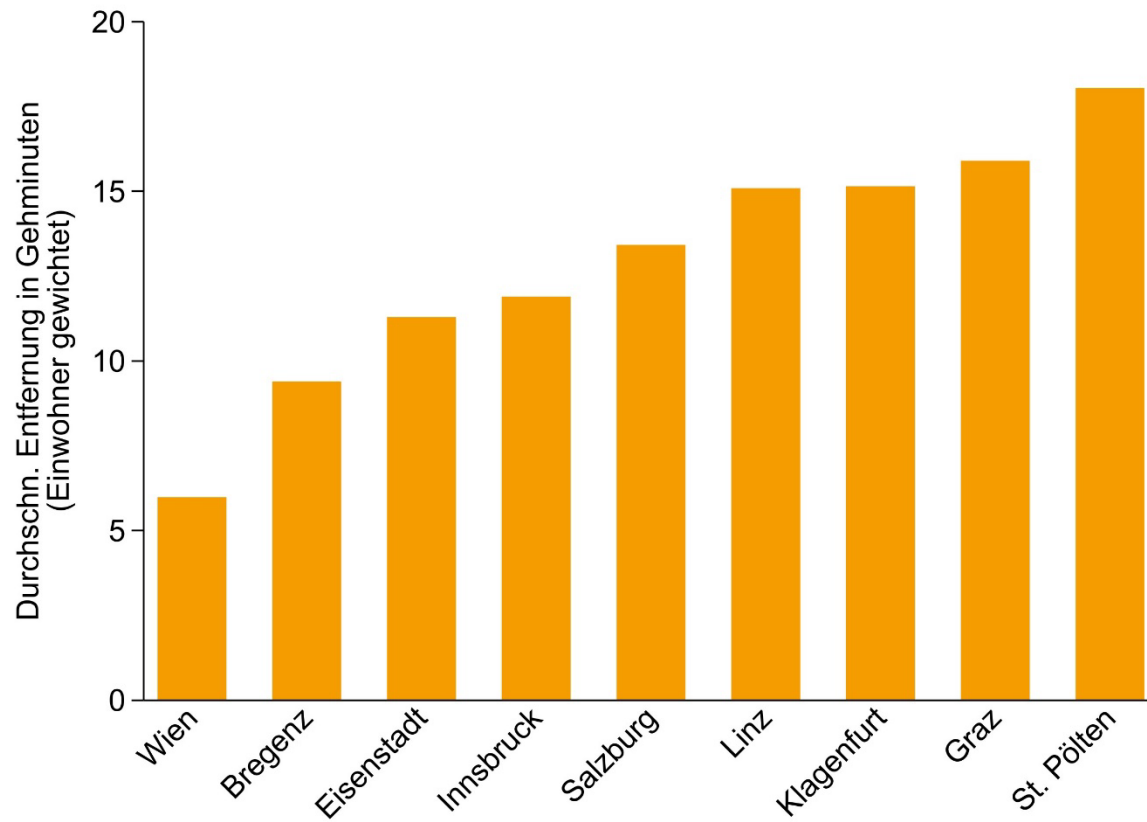
- **Structure**
 - Overview of **currently available** EV charging infrastructure
 - Summary of the **legislation**
 - Including legal comparison
 - **Market definition**
 - Analysis of the competitive situation
 - **Identification** of potential restrictions on competition
 - **Recommendations** to promote competition

Sector inquiry EV charging infrastructure – Main findings

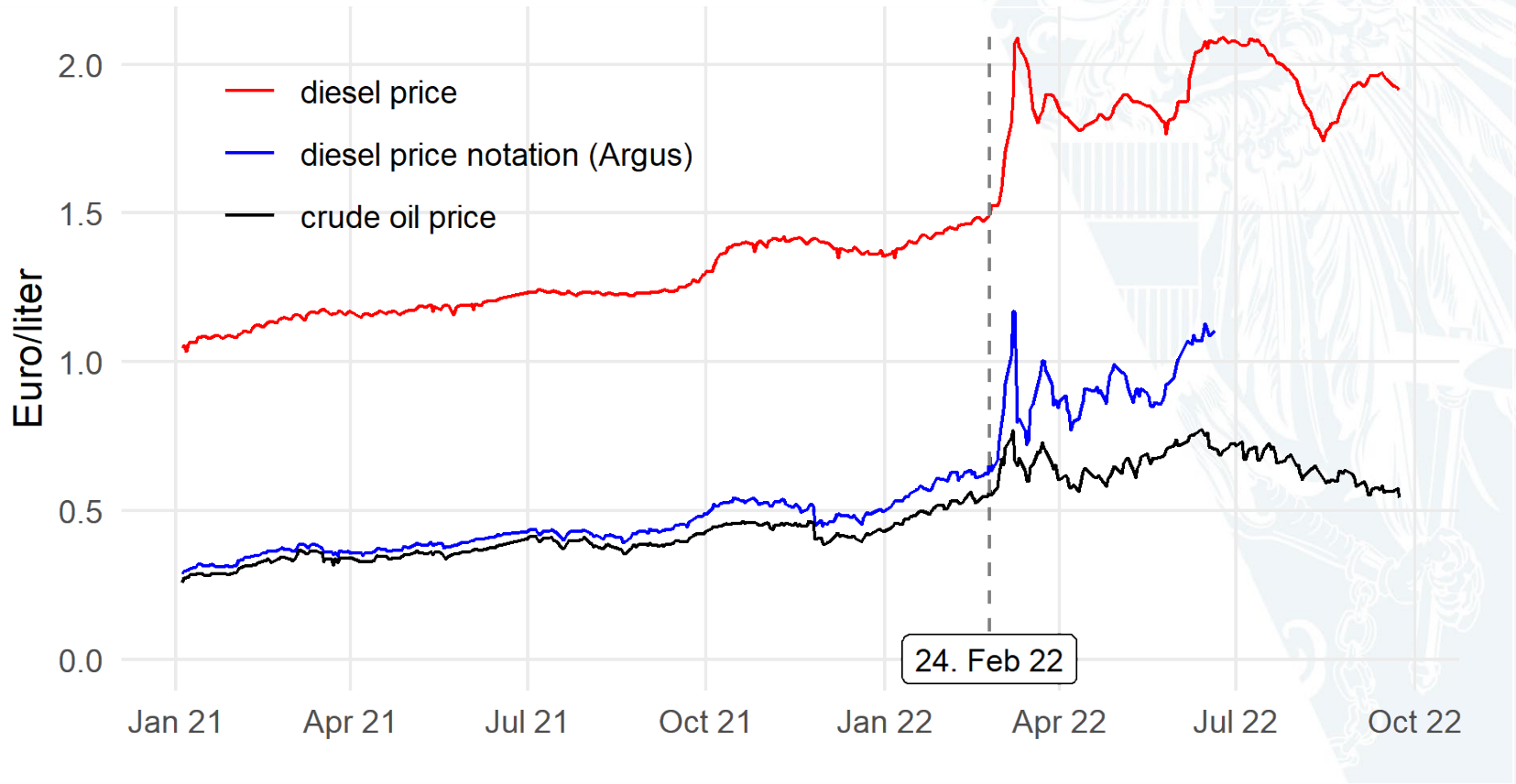
- **Market position of energy suppliers**
 - non-discriminatory access to premises for all charging point operators crucial
 - mixing different providers at local level
 - potential danger of dominance of energy companies in publicly accessible charging points
- **Transparency of charging rates**
 - potential obstacles to functioning competition
- **Terms of payment**
 - ensure diversity (Ad hoc payment options)
 - Roaming transparent and comparable

Sector inquiry EV charging infrastructure – Main findings

- Simple and non-discriminatory access for the consumer



Sector inquiry Fuel Market - Background

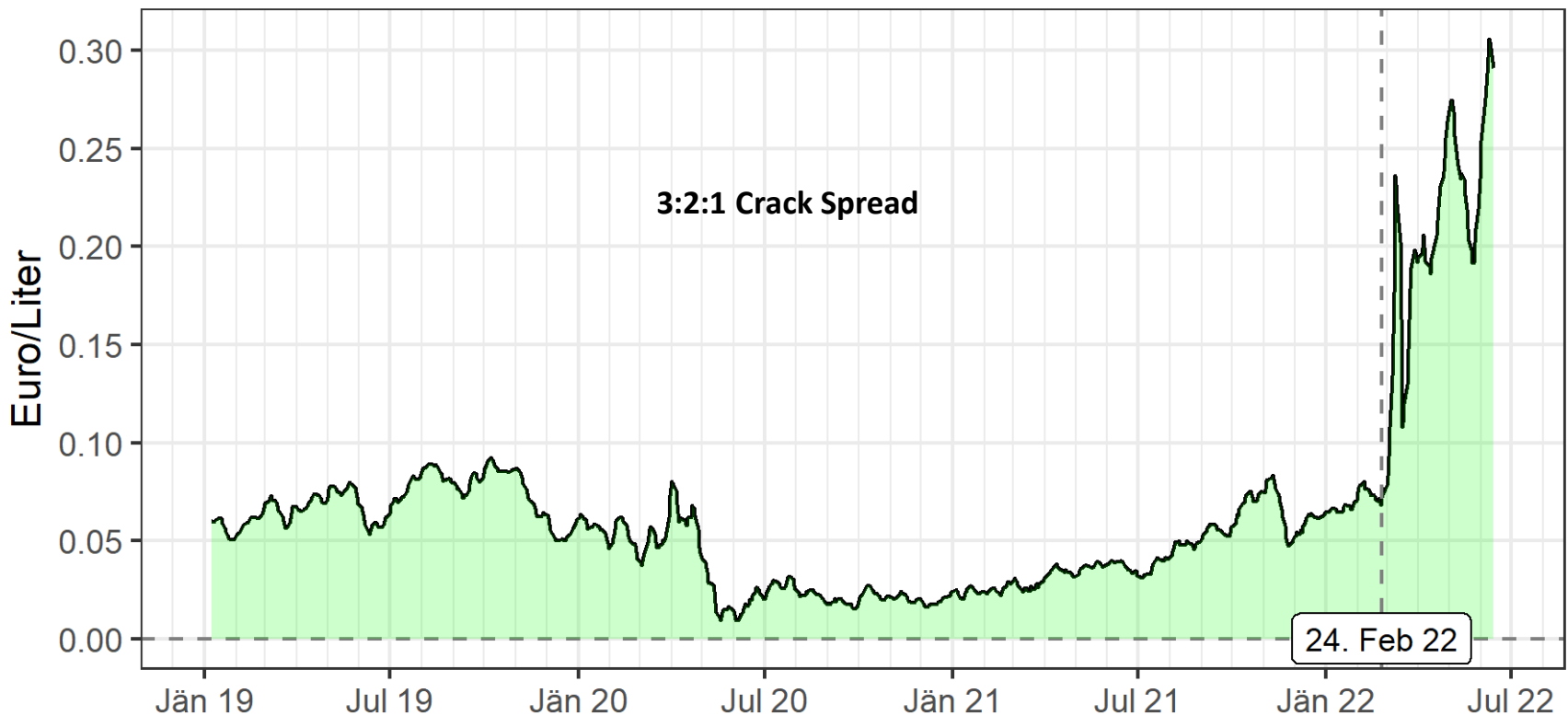


Sector inquiry Fuel Market – Scope/Approach

- **Reasons**
 - What are the reasons for the surge of fuel prices at petrol stations following the Russian invasion of the Ukraine?
- **Profil margins**
 - How did profit margins evolve at different stages in the value chain?
 - crude oil production (not considered) → **crude oil refining** → **fuel retailing**
- **Decoupling?**
 - Was there a decoupling of fuel prices from crude oil prices?
- **Competition**
 - Are there salient clues in the price data that allow us to draw conclusions about competition in refining and fuel retailing?

Sector inquiry Fuel Market – Main findings

Gross refining margins (2019-2022)



Source: Argus Media; EIA; own calculations.

Sector inquiry Fuel Market – Main findings

Change in selected cost components in operating expenses

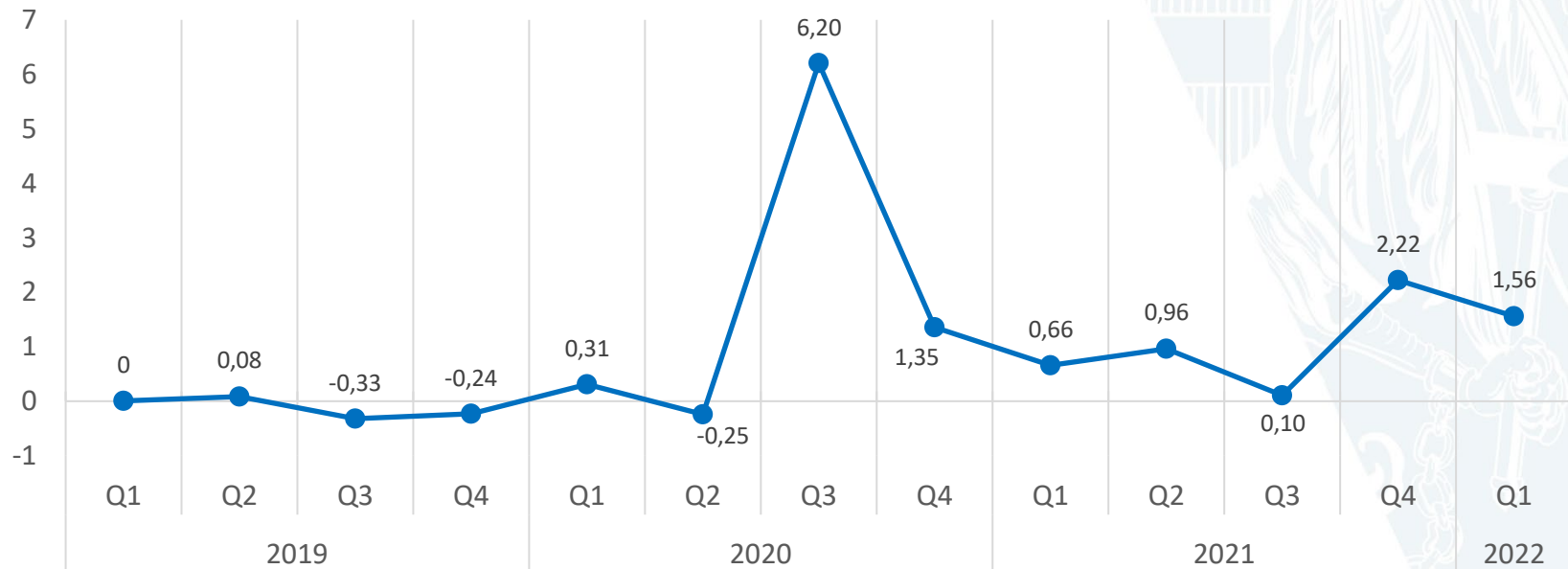
	Natural gas (ÖGPI)	Electricity (ÖSPI)	CO ₂ Certificates (EUA Futures)	Exchange rate USD/EUR
January 2021 to March 2022	+ 583%	+ 157%	+ 124%	– 9.5%
March 2022 to June 2022	+ 17%	+ 41%	+ 12%	– 4.1%

Source: Austrian Energy Agency; Ember; Eurostat.

Sector inquiry Fuel Market – Main findings

Evolution of operating expenses (excl. crude oil costs)

Cumulative change of operating expenses in cent/liter
(Base: Q1 2019)



Source: Own calculations based on data from RFIs.

Sector inquiry Fuel Market – Main findings

- **Decoupling** of international price assessments from crude oil prices
 - serve as references prices for ex-refinery/wholesale prices in supply contracts
- Decoupling led to a **tripling of gross refining margins** (+ 16 cent/liter)
 - CMA arrived at similar results (Road Fuel Review, 8 July 2022)

Sector inquiry Fuel Market – Main findings

- **Doubling to Tripling of (net) refining margins** compared to the period before the beginning of the war (reference period: 1 Jan 22 to 23 Feb 22)
 - prices increases of gas, electricity, and CO2 allowances since beginning of 2021 with a small effect on operating expenses
 - OMV, Shell, BP and ENI in Q2 2022: roughly a tripling (or much more) of refining margins compared to Q1 2022.

Sector inquiry Fuel Market – Main findings

- **Fuel prices (excl. VAT and energy tax)**
 - no decoupling from wholesale prices
 - gross margins at petrol stations only marginally elevated (exception: Mar 22)
- **Similar changes** in prices and gross margins among different subsets of petrol stations
- Data do not provide **sufficient evidence** to suspect price-fixing or abuse of market power
- **Further developments**
 - **Excess profits tax** announced by the Austrian Federal Government (with reference to the Sector inquiry Fuel Market)

Other

- **Expert Group for the Observation and Analysis of the Inflation Development (EBAI)**
 - **Active participation** by the Austrian Federal Competition Authority
 - **Main tasks**
 - **Monitoring** of inflation developments and their economic impact;
 - **Identification** and monitoring of inflation drivers as well as analyses of the functionality of the markets; and
 - Development of **countermeasures** within the meaning of the federal constitution, i.e., with the aim of a macroeconomic equilibrium and sustainably orderly budgets

Thank you for your attention!

Natalie Harsdorf-Borsch
Acting Director General
Austrian Federal Competition Authority
Natalie.Harsdorf@bwb.gv.at

