

**The Belgian Competition Authority opens proceedings into a possible abuse of economic dependence in the agricultural sector**

The Belgian Competition Authority ("BCA") has opened *ex officio* proceedings into an abuse of economic dependence in the agricultural sector, following a preliminary investigation that revealed serious indications of a possible infringement. The opening of proceedings does not prejudice the outcome thereof and the company concerned will be fully involved in the procedure.

Since 22 August 2020, the BCA is competent to pursue abuses of economic dependence. Article IV.2/1 of the Code of Economic Law precludes *"one or more undertakings to abuse a position of economic dependence in which one or more undertakings are engaged, where competition may be affected on the Belgian market concerned or a substantial part thereof"*. The parliamentary records relating to this provision specify that it is aimed specifically (but not exclusively) at concentrated economic sectors and they expressly mention the relevance thereof for the agricultural sector because farmers are often *"suppliers to large companies [...] so that it is virtually, if not totally, impossible for them to escape their contractual obligations towards their co-contractor"*.

Since being endowed with this specific competence three years ago, the BCA has been contacted on several occasions by companies alleging abuses of economic dependence in their commercial relations. Careful consideration of these reports has enabled the BCA to develop and refine its experience in this matter and to establish an analytical framework for this type of restrictive practice. The proceedings opened in the present case reflect this analytical framework.

The agricultural sector in question is one of Belgium's main ones and it concerns a product of which Belgium is an important EU producer. The structure of the sector is characterized by a high concentration of purchasers, while supply from farmers is highly fragmented. The cumulative effect of the possible economic dependence of farmers active in the sector in question is likely to affect competition on the Belgian market.

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The Belgian Competition Authority (BCA) is an independent administrative authority that contributes to the definition and implementation of competition policy in Belgium. Concretely, the BCA pursues anti-competitive practices, such as cartels and abuses of a dominant position, and reviews the main merger operations. The BCA cooperates with the other competition authorities of the member states of the European Union and the European Commission within the European Competition Network (ECN)