



**MARKET STRUCTURE AND COMPETITIVENESS  
PROTECTION  
- EXPERIENCES OF TRANSITION COUNTRIES**

**Editors**  
**BOŽO DRAŠKOVIĆ, PhD**  
**VLASTIMIR VUKOVIĆ, PhD**

**Book Details:**

- VI, 303, pages
- **Publishers:** Institute of Economic Sciences and Belgrade Banking Academy, Belgrade
- **Language:** Serbian
- **ISBN** 978-86-80315-77-5
- **Publishing Year:** 2008

## Contents

PREFICE.....	v
<i>Prof. dr Petar Đukić</i> COMPETITIONN AND MARKET STRUCTURE DEVELOPMENT IN SERBIA TODAY .....	1
<i>Prof. dr Dejan Erić</i> THE IMPORTANCE OF MARKET STRUCTURES AND COMPETITIVENESS PROTECTION RESEARCHES IN SERBIAN ECONOMY .....	23
<i>Prof. dr Slobodan Aćimović</i> DOMINANT MARKET POSITION – PROBLEM – YES - NO?.....	33
<i>Dr Božo Drašković, Mr Ivana Domazet</i> MARKET POWER CONCENTRATION – A FORM OF MARKET IMPERFECTION .....	45
<i>Prof. dr Boban Stojanović</i> STATE AID AND COMPETITION POLICY .....	85
<i>Prof. dr Radovan Kovačević</i> TRADE LIBERALISATION AND BALANCE OF PAYMENTS OF SERBIA .....	99
<i>Dr Mirjana Radović-Marković</i> GLOBALIZATION AND ITS IMPACT ON FIRM'S NEW MODELS AND ITS COMPETITIVE ADVANTAGES .....	111
<i>Prof. dr Mihail Petkovski</i> FOREIGN BANKS IN EASTERN EUROPE AND THEIR IMPACT ON COMPETITION AND STABILITY OF BANKING SYSTEM .....	123
<i>Dr Vlastimir Vuković</i> THEE COMPETITION ON CREDIT MARKET OF SERBIA .....	133
<i>Mr.sc. Sunčana Slijepčević, mr.sc. Igor Živko</i> MARKET COMPETITION CHALLENGES PROTECTION AMONG BANKS IN CROATIA.....	151
<i>Mr Mina Zirojević, Mr Sanja Jelisavac</i> EU COMPETITIVENESS POLICZ WITH SPECIAL OVERVIEW ON SOUTHEASTERN EUROPEAN COUNTRIES LEGISLATION.....	165
<i>Dr Miloš Petronijević</i> MARKET COMPETITIVENESS AS THE REGULATOR OF ECONOMIC EFFICIENCY .....	177
<i>Prof. dr Beba Rakić, Dr Mira Rakić</i> GLOBAL COMPETITION .....	187
<i>Dr Srdjan Redžepagić Bojana Radovanović Aleksandar Zdravković</i> BARRIERS TO ENTRY INTO SERBIAN MARKET .....	199
<i>Dr Dušan Kostić, Mr Zoran Rajković</i> MARKET POWER OF RETAIL COMPANIES.....	211
<i>Prof. dr Hasan Hanić</i> CONSUMER'S PURCHASING BEHAVIOUR IN CITIES OF SERBIA .....	225
<i>Dr Ivan Stošić, Dr Zvonko Brnjas, Mr Zoran Rajković</i>	

THE GLOBAL RETAILERS AND CHANGES IN COMPETITION RELATIONS .....	245
<i>Mr Marija Lazarević, Grozdana Belopavlović, Slavica Radonjić</i> POSITION AND TENDENCIES ASSESMENT IN SERBIAN ECONOMY COMPETITIVENESS DEVELOPMENT .....	255
<i>Mr Jovan Zubović</i> DEVELOPMENT OF PHARMACEUTICALS SECTOR IN SERBIA FOLLOWING WORLD TRENDS TARIFFS ELIMINATION.....	265
<i>Prof. dr Milenko Popović</i> REAL ESTATE PRICES, REGULATIONS AND INDUSTRY CONSTRUCTION ORGANIZATION IN MONTENEGRO .....	279
<i>Mr Gordana Vukotić-Cotič, Mr Saša Stefanović</i> INFLATION IN SERBIA IN THE LIGHT OF A CONCENTRATED MARKET, 2008.....	295

## PREFICE

*The international gathering «Market Structures & Competition Protection - Experiences of Countries in Transition», held in Belgrade on 16 May 2008, assembled a large number of eminent university professors, researchers, young economists from Serbia, Macedonia, Montenegro, Croatia and Bosnia and Herzegovina. The gathering was organized by the Institute of Economic Sciences from Belgrade in cooperation with Belgrade Banking Academy - Faculty for Banking, Insurance and Finance.*

*This topic was selected due to the current issue of competitiveness protection which presents the continuation of anti-monopoly regulations in XX century as well as many doubts regarding the interactions with market structures. Therefore, at the preparation phase even 12 subject fields were defined which research is of great importance for market structures and competition protection:*

- *Market structure changes in countries in transition*
- *Market power and impact on prices*
- *Imperfect markets- monopoly, oligopoly and monopolistic competition*
- *Measuring market concentration and impact on prices*
- *Price discrimination models*
- *Liberalization, globalization and consolidation impact on competition*
- *Regulative framework and regulator authority*
- *Competition violation - forbidden agreements, domination abuse and prohibited concentrations*
- *Relevant markets*
- *Sector competition*
- *De-regulation and inter-sector competition*
- *Competition in regional dimensions.*

*The main goal of this international gathering organization was the establishing of market structure characteristics and competition protection development level in Serbia and neighboring countries in transition. The opinions confrontation during the discussion proved the high level of agreement in evaluation of current situation but it also showed certain differences in concept of desirable regulation measures and practical actions.*

*Generally, the competition initiates the economy competitiveness growth, increasing the consumers' welfare, and it has to be protected by adequate mechanisms and standards. The Commission for Competition protection and independence in relation to foreign influences (Djukic) should be independent. The importance of market structure research and competition protection in the economy of Serbia was also analyzed. (Eric). The methods selection for market concentration measures and dominant position abuse is of special importance (Draskovic). However, the US and EU experiences show that the concentration in retail business that is, the dominant position does not have to produce monopoly behavior but strong price competition. Unfortunately, the national practice is different, because the domination is abused (Acimovic). In addition, the crucial problems of our legislation harmonization with EU regulations in the field of competitiveness (Zirojevic-Jelisavac) and necessity to legislate the public assistance monitoring and adequate monitoring system establishment, as one of the pre-conditions for European integration and joining the WTO (Stojanovic), were also discussed.*

*Three papers deal with similarities and characteristics of banking structures and inter-banking competition protection in Serbia (Vukovic) and Croatia (Slijepcevic-Zivko), and the foreign banks penetration impact on competition and financial stability of countries in transition (Petkovski).*

*The other papers that drew the attention were them ones dealing with globalization impact on creating the new enterprise model and its competitive advantages (Radovic-Markovic), global competitiveness (Rakic-Rakic), market competitiveness as a regulator of economic efficiency (Petronijevic), Serbian market enter barriers (Redzepagic-Radovanovic-Zdravkovic), trade liberalization and balance of payments of Serbia (Kovacevic) and trends and tendencies in Serbian economy competitiveness development (Lazarevic-Belopavlovic-Radonjic).*

*The competition within industries was analyzed in the papers occupying with market power of retail business companies (Kostic-Rajkovic), consumers buying behavior in big cities of Serbia (Hanic), big trade chains in the world and competitive relations changes (Stosic-Brnjas-Rajkovic), pharmaceutical sector development in Serbia in the light of world tendencies of tariff protection abolishment (Zubovic) and real estate prices, regulations and construction industrial organization in Montenegro (Popovic).*

*Besides the presentations at the gathering, the participants attached their papers, so the preparations for this Collection of Papers printing were finished by the end of September. It contains 21 papers and 32 authors.*

*The papers presented in the Collection of Papers contributed a lot to real evaluation of global and industrial market structures and competition protection restrictions. Finally, we presume that this publication might be interesting, not only for researchers but for members of Agency for competition protection, to economists, students and all those who are interested in market structures and competition protection.*

Belgrade, September 2008.

Vlastimir Vuković, PhD

Božo Drašković, PhD