

Summary

The liberalisation of network industries has an important place among the structural reforms aimed to boost the competitiveness of the economy. In the working paper we describe reforms in electricity and gas supply, postal services and telecommunications and their implementation in Slovenia. We attempt to estimate the first results of the opening of markets by using a set of indicators such as the share of state ownership, market structure (the share of incumbent operators), price developments, changes in productivity and employment. We found that an appropriate legislative framework for liberalisation of these markets has been adopted in almost all industries (with the exception of railway transport). Nevertheless, beside the high concentration of suppliers, one of the greatest barriers to entering the markets is the rather slow implementation of legislation, which is often due to difficulties arising from a lack of experience among the newly established regulatory authorities. Privatisation of state-owned operators, which also has an important role in boosting the effectiveness of service provision, has in most cases not yet been carried out. Indicators of market structure show that competition has been arising very slowly; where positive steps have recently been made, the share of incumbent operators is still relatively high. Price developments in network industries partly reflect the increase in competition (telecommunications and electricity supply), but they are to some extent also the result of price setting in the past and other factors. We estimate that productivity gains in some industries already reflect the increase in competition (mostly in telecommunications), while in some others, increases in productivity can be attributed to the preparations for market liberalisation (railway transport, postal services). In electricity supply, rationalisation in the number of employees can be observed.

Key words: network industries, electricity supply, gas supply, railway transport, telecommunications, postal services, liberalisation, effects of liberalisation.