



CCRED
CENTRE FOR COMPETITION,
REGULATION AND
ECONOMIC DEVELOPMENT

5th ANNUAL COMPETITION AND ECONOMIC REGULATION (ACER) WEEK

Advanced economic analysis for competition enforcement

15 – 17 July 2019

COURSE OUTLINE

Targeted at experienced competition economists from authorities, regulators, public and private sector firms and private practice, this intensive Professional Training Programme (PTP) covers the latest developments in economic theory and their application to the analysis of competition cases. The PTP will cover frameworks for understanding abuse of dominance and coordinated conduct from theoretical and practical perspectives. It will equip participants with the specialist knowledge and skills required to undertake rigorous economic analysis in competition cases.

In this year, the PTP also includes the key concepts in competition and economic regulation of digital platforms and high-tech markets, drawing on recent international cases. This will include a review of the European Commission's cases involving Google.

The course will be facilitated by Prof Sean Ennis (Professor of Competition Policy at Norwich Business School and Director of the Centre for Competition Policy, University of East Anglia), Dr Gabor Koltay (member of the Chief Economist's Team at the EU's DG Competition), Prof Simon Roberts (UK Competition and Markets Authority and University of Johannesburg) and Ms Reena das Nair (University of Johannesburg).

Approach

The PTP will be taught primarily by means of lectures, which will draw on international and South African examples and precedent-setting cases with a strong focus on underlying economic principles. The lectures will be complemented by case study exercises involving analysis of data and fact patterns by different groups who will present findings in feedback sessions. Key principles and tests taught during the lectures will be reinforced through these exercises.

Programme




Day 1, 15 July 2019	
0830-0845	Registration
0845-1000	Competition economics: the big debates and introduction to the course <ul style="list-style-type: none"> • Competition economics – developments in theory and how it is applied in cases • Interface of competition and regulation • The changing role of competition authorities and expectations of competition policy • Competition, trade and regional integration
Tea break	
1030-1230	Abuse of dominance, exclusive dealing and loyalty rebates <ul style="list-style-type: none"> • Concept of dominance and abuse • Introduction to exclusionary practices • From theory to practice: economics-based rules to evaluate exclusionary conduct • The Chicago School critique and post-Chicago theories • Exclusive dealing and efficiency gains • Loyalty rebates and tests • Balancing pro-and anti-competitive effects • Case examples
Lunch break	
1330-1445	Exercise 1: Exclusionary conduct and loyalty rebates
Tea break	
1500-1630	Predation and fighting brands <ul style="list-style-type: none"> • Classical predation theories • A scale-economies based theory of predation • Factors needed to apply these theories of harm • Appropriate cost benchmarks • Case examples

Day 2, 16 July 2019	
0830-1030	Coordination and behavioural screening <ul style="list-style-type: none"> • Notion of collusion; how to sustain a collusive agreement; structural screening • Collusive Markers • Empirical methods for behavioural screening • Coordination and information exchange • What kinds of information and when does it matter? <ul style="list-style-type: none"> ○ Factors in tacit coordination: focal points, benchmarks, second best rules and conventions ○ Significance of sales information; its disaggregation by demand segments (geography, customer & product categories) • Case examples

Tea break	
1100-1230	Exercise 2: Coordinated conduct and information exchange
Lunch break	
1330-1430	Refusal to supply and margin squeeze <ul style="list-style-type: none"> • Introduction to refusal to supply and margin squeeze • Outright and constructive refusal to supply • Key tests to assess anti-competitive effects • Balancing pro- and anti-competitive effects • Significance of linkages between competition and economic regulation • Case examples
Tea break	
1500-1630	Exploitative abuses: Price discrimination and excessive pricing <ul style="list-style-type: none"> • Welfare effects of price discrimination • Standards and benchmarks for assessment of price discrimination • Equivalent transactions - SA case: <i>Nationwide Poles</i> • Introduction to excessive pricing: key principles • Economic criteria for excessive pricing; determining economic value • Measures of excessive prices: price-cost tests; use of comparators • International and South African excessive pricing cases

Day 3, 17 July 2019	
0830-1030	Economics of digital platforms <ul style="list-style-type: none"> • Multi-sided platforms and network effects • The implications for market power, barriers to entry and efficiency • Mergers involving digital platforms • Theories of harm in abuse of dominance: evolution from Microsoft • The analysis and recommendations of the expert reviews on digital platforms undertaken in jurisdictions around the world
Tea break	
1100-1230	Exercise 3: Merger analysis in digital platforms - considering Google-Waze and Facebook-Instagram in hindsight?
Lunch break	
1330-1500	Exclusionary conduct in digital platforms: the EU Google cases <ul style="list-style-type: none"> • Overview of challenges posed by platforms for economic analysis • The EC's three Google antitrust cases (Google Shopping, Android, AdSense) <ul style="list-style-type: none"> ◦ Theories of harm and assessment of conduct and effects ◦ Findings, penalties and remedies • Implications and reflections
Tea break	
1515-1615	Discussion: Can and should developing countries follow the EU's approach on digital platforms? What should they prioritise?
1615-1645	Wrap up and presentation of certificates

Programme Lecturers and Facilitators

	<p>Prof Sean Ennis is a Professor of Competition Policy at Norwich Business School and the Director of the Centre for Competition Policy at the University of East Anglia. Previously, he was a Senior Economist in the Competition Division of the OECD. For two years, he was Executive Director of the Competition Commission of Mauritius, where he was the chief executive in charge of running Mauritius' independent competition authority. At the OECD he developed and led the development and application of the OECD's Competition Assessment Toolkit. Prior to that, he worked as an economist at the European Commission's DG Competition and at the U.S. Department of Justice's Antitrust Division, developing economic analyses for competition law investigations.</p>
	<p>Dr Gabor Koltay joined the European Commission's DG Competition Chief Economist Team in 2013 after being an economist in the Economic and Financial Affairs directorate at the European Commission. Gabor has worked on many major cases including the Google Shopping and Google AdSense cases. He has a PhD in industrial economics from the Central European University, Budapest, Hungary and has published a number of articles including in the <i>Review of Industrial Organisation</i>.</p>
	<p>Prof Simon Roberts is an economics director at the UK's Competition and Markets Authority and a professor in economics at the University of Johannesburg. He held the position of Chief Economist and Manager of the Policy & Research Division at the Competition Commission South Africa from November 2006 to December 2012. In addition, Simon has consulted extensively on competition matters, including being an expert witness in a number of major cases, and has advised competition authorities across the African continent. He has published widely including in <i>World Competition</i>, <i>Journal of Competition Law and Economics</i>, <i>Industrial and Corporate Change</i>, <i>Journal of African Economies</i>, <i>Review of African Political Economy</i>.</p>
	<p>Ms Reena das Nair is a Senior Lecturer in the Master of Commerce in Competition and Economic Regulation programme at the College of Business and Economics, University of Johannesburg. She is also a Senior Researcher at the CCRED at the University of Johannesburg. Prior to joining CCRED, Reena was Programme Manager for Industrial Policy at Trade and Industrial Policy Strategies (TIPS). Before TIPS, Reena worked as a Principal Economist at the Competition Commission of South Africa. She has extensive experience in leading investigations and economic analysis in mergers, abuse of dominance and cartel cases. Reena has a MCom from the University of the Witwatersrand and has published in journals and books in competition and industrial policy. She is a PhD candidate at the University of Johannesburg.</p>