

Advanced Competition Economics

9 – 11 September 2013

Sol Kerzner School of Hospitality and Tourism,
UJ Bunting Road Campus, Johannesburg

Programme





Day 1, 9 September 2013		
0830-1030	Frameworks for understanding abuse of dominance, and application to predation <ul style="list-style-type: none"> • Concept of dominance and abuse; • exploitative practices vs. exclusionary practices; • from theory to practice: economics-based rules • Introduction to predation • A scale-economies based theory of predation • Traditional theories • Factors needed to apply these theories of harm • A proposed rule: a two-tier approach (definition of proper cost benchmarks). • Examples: short discussion of cases 	Chiara Fumagalli
Tea break		
1100-1145	Case exercise A1: rebates/predation – introduction	Andrew Swan & Simon Roberts
1145-1230	Predation continued, and rebates <ul style="list-style-type: none"> • Introduction to rebates: conditional rebates and price discrimination; classification of rebates • Efficiency justifications of rebates • Scale-economies based theories of rebates (Innes and Sexton 1993, Karlinger and Motta 2012) • Factors needed to apply these theories of harm • Rebates in the EC Guidance Paper: the suction test and the effective price 	Chiara Fumagalli
Lunch break		
1330-1430	Rebates continued	Chiara Fumagalli
Tea break		
1430-1630	Case exercise A2: rebates/predation	Andrew Swan & Simon Roberts

Day 2, 10 September 2013		
0830-1030	Exclusive dealing <ul style="list-style-type: none"> • Introduction: definition and brief historical perspective • The Chicago School critique • Post-Chicago theories • Factors needed to apply these theories of harm. • Exclusive dealing and efficiency gains • Balancing pro- and anti-competitive effects • Examples: short discussion of cases 	Chiara Fumagalli
Tea break		
1100-1230	Vertical foreclosure and margin squeeze <ul style="list-style-type: none"> • Key principles • Application in Telkom cases 	James Hodge
Lunch break		
1330-1500	Case Exercise B1: exclusive dealing	Fatima Fiandeiro & Ryan Hawthorne
Tea break		
1515-1630	Case exercise B2: exclusive dealing	Ryan Hawthorne & Fatima Fiandeiro

Day 3, 11 September 2013		
0830-1030	Coordination and behavioural screening <ul style="list-style-type: none"> • Introduction: Notion of collusion; how to sustain a collusive agreement; structural screening. • <u>Collusive Markers</u>: unusual increases in prices; prices do not reflect costs; variance screen; properties of cartel price paths; higher list prices and fewer discounts; highly stable market shares. • <u>Empirical methods for behavioural screening</u> <ul style="list-style-type: none"> ○ Is there a structural break in behaviour? ○ Is behaviour inconsistent with competition? ○ Does the behaviour of suspected colluding firms differ from that of competitive firms? ○ Does a collusive model fit the data better than a competitive model? • Assessment of these methods 	Chiara Fumagalli
Tea break		
1100-1230	Coordination and information exchange <ul style="list-style-type: none"> • Introduction: what kinds of information and when does it matter • Factors in tacit coordination: focal points, benchmarks, second best rules and conventions • The significance of sales information; its disaggregation by demand segments (geography, customer & product categories) • Examples, international and South African 	Simon Roberts
Lunch break		
1330-1500	Case Exercise C1: coordination	Liberty Mncube & Reena Das Nair
Tea break		
1515-1630	Case exercise C2: coordination	Reena Das Nair & Liberty Mncube

Lecturers & Facilitators

	<p>Chiara Fumagalli is Avv. Giovanni Agnelli endowed Associate Professor in Economics at the University of Bocconi. Chiara has focused on the economics of exclusionary practices and is currently working on a book <i>'Monopolization: A Theory of Exclusionary Practices'</i> (with M. Motta and C. Calcagno) in preparation for Cambridge University Press. The purpose of the book is to develop a general analytical framework, which encompasses and extends established as well as recent theories, and to identify clear and workable criteria that can guide antitrust agencies deal with exclusionary practices. Chiara has published articles in leading journals including in the <i>American Economic Review</i>, the <i>Rand Journal of Economics</i> and the <i>Economic Journal</i>.</p>
	<p>James Hodge is the Managing Partner in the Competition and Regulatory Economics area. Before joining Genesis in 2005, he was a senior lecturer and postgraduate convenor at the University of Cape Town's School of Economics. He has been widely published in a number of peer-reviewed journals, books and conference proceedings. James has provided expert economic advice and testimony in a large number of cases that have come before the competition authorities from a wide spectrum of industries. He has considerable standing in the area of sector-specific regulation, and serves as an expert on the ICASA panel, which investigates wholesale regulation. Most recently, James was the Competition Commission's expert in the <i>Telkom</i> matters, from which he will draw key insights.</p>
	<p>Simon Roberts held the position of Chief Economist and Manager of the Policy & Research Division at the Competition Commission from November 2006 to December 2012. He is a visiting professor at the University of Johannesburg where he is Director of the Centre for Competition Economics. In addition, Simon has consulted extensively on competition matters over the past 15 years and has been an expert witness in a number of major cases. He has published widely in local and international journals. Simon holds a PhD from University of London, MA from University of East Anglia, and BA (Hons) from Oxford University.</p>
	<p>Reena das Nair is a Programme Manager: Industrial Policy at Trade and Industrial Policy Strategies (TIPS). Prior to joining TIPS, she was a Principal Economist in the Policy and Research division at the Competition Commission of South Africa. She has experience in undertaking investigations and economic analysis in mergers, abuse of dominance and cartel cases, mainly in intermediate industrial product industries, such as fertiliser, steel, petrochemicals and forestry.</p>

	<p>Fatima Maria Fiandeiro is a manager in the Competition and Regulatory Economics practice of Genesis Analytics. Fatima has provided analysis and advice on a number of major prohibited practice cases and merger transactions across sectors as diverse as telecommunications, broadcasting, healthcare, financial services, industrial products, agriculture and consumer goods. She has also provided economic modelling and analysis on regulatory matters involving airline liberalisation and digital migration of broadcasting as well as in damages litigation cases.</p>
	<p>Ryan Hawthorne is an economist working on regulatory issues and business strategy in the telecommunications sector. His focus areas include competition/antitrust economics, telecommunications regulation, and telecommunications strategy. Prior to his current position at Neotel, he was a senior economist at the Competition Commission of South Africa. Ryan has a Master's degree in Economics from Wits University. Ryan's work experience includes economic analysis for competition law cases in a range of sectors, including the telecommunications sector, as well as strategy development in the telecommunications sector.</p>
	<p>Liberty Mncube is a Principal Investigator in the Enforcement & Exemptions Division of the Competition Commission of South Africa and was previously a Principal Economist. Before joining the Commission, he was a Researcher at the Development Policy Research Unit at the University of Cape Town. He holds a MSc from the University of York. He is currently studying for a PhD in competition economics at the University of KwaZulu-Natal and has been a visiting PhD graduate student at the Barcelona Graduate School of Economics. He has published widely on competition policy in local and international journals, including the Journal of Competition Law and Economics and has been a co-guest editor of a Special Issue for the Journal of Economic and Financial Sciences.</p>
	<p>Andrew Swan is a Senior Associate in RBB's Johannesburg office, where he has been based since 2009. Prior to an initial period working in RBB's London office, he worked in the Policy & Research division of the South African Competition Commission. Andrew has advised clients on antitrust matters before authorities in the UK, Europe and South Africa. This work has included both horizontal and non-horizontal mergers, abuses of dominance, cartel investigations and market enquiries. In particular, Andrew has experience in the competitive implications of information exchanges and in the economics of two-sided markets.</p>