



Competition Economics Capacity Building

Competition Authority of Kenya

Intercontinental Hotel, 12 & 13 August 2013

Objectives

In an intensive two day programme this course will cover key principles and tests in competition economics, as well as the evidence and analysis required for their application to competition cases. It will provide solid grounding in the main concepts and give case examples to illustrate the main points.

The course will be strongly oriented to how the principles are applied in practice, from a practitioner's perspective. It will draw on actual cases from different countries as well as address hypothetical case exercises in workshop sessions.

The course will cover the main areas of competition analysis, namely:

- Mergers & acquisitions
- Collusion and other restrictive practices
- Abuse of a dominant position (monopolisation)

The course is organised by the Centre for Competition Economics of the University of Johannesburg, together with the Trade and Industrial Policy Strategies (TIPS) research organisation.

The programme will include an address by Francis Wang'ombe Kariuki, Director General of the Competition Authority of Kenya, on the main priorities of the CAK.

Approach

For each topic the treatment will include:

- presentation on the important principles
- review of the issues drawing on selected key cases
- application in a hypothetical case scenario, based on actual cases
- a wrap up of the main points
- key references and international authorities

Contact

Booking forms available from infocce@uj.ac.za or contact Prof Simon Roberts (sroberts@uj.ac.za) for further details.

DAY 1 **12 August 2013**

0800 Registration

0830 Welcome and introductions

Introduction to competition policy

- Objectives of competition policy and law, and the main areas of enforcement
- What does economics bring to the study, design and enforcement of competition policy?

Market Definition and horizontal mergers

0900 - 1015 Market definition and horizontal mergers – concepts and application

- understanding and measuring market power
- geographic and product market definition
- barriers to entry and supply side substitution
- market shares, capacities and which firms are effective competitors
- what is a substantial lessening of competition in the context of mergers?

1030 - 1130 Break away session

Assessing case studies of hypothetical mergers: asking the right questions, identifying the key information

1130 - 1230 Key take-home points

Summarising the main concepts and issues on which cases turn:

- from the hypotheticals
- examples and precedent setting cases from different jurisdictions

- lunch -

Vertical mergers and restrictive practices, margin squeeze and refusal to deal

1330 - 1430 Vertical mergers, vertical arrangements and exclusionary harm to competition

- understanding the possible anti-competitive effects of vertical mergers
- efficiencies from vertical integration
- identifying anti-competitive exclusion and vertical restrictive practices
- distinguishing the ability and the incentive to exclude

1430 - 1530 Break away session (including tea)

Two hypothetical case studies: a vertical merger and possible foreclosure; a margin squeeze

1530 - 1630 Key take-home points

- Groups present their hypothetical cases
- Summary of key concepts
- Examples from cases

1700 Address by Francis Wang'ombe Kariuki, Director General of the Competition Authority of Kenya, on the main priorities of the CAK

DAY 2

13 August 2013

Coordinated conduct

0830 – 1000 What is co-ordinated/collusive conduct and how to identify it?

- structural features in a market that make it more conducive to coordinated/cartel conduct
- what can competitors discuss and agree? what should industry associations beware of?
- practices, such as information exchange and pricing rules, that facilitate coordinated outcomes
- types of information exchange between competitors that are most problematic
- behavioural screening for cartels and examples of the *modus operandi* of cartels

1030 - 1130 Break away session

Groups will consider different scenarios and information on market outcomes and firm conduct, based on actual cases, assessing whether it is likely to constitute collusive conduct.

1130 - 1230 Key take-home points

- Groups present their hypothetical cases
- Summary of key concepts
- Examples from cases, including key international cases

- lunch -

Exclusionary abuse of dominance, exclusive dealing, rebates and predation

1330 - 1430 How dominant firms may exclude by foreclosing rivals

- distinguishing competition on the merits from possible abuse of dominance
- mechanisms and effects: price and non-price
- market conditions: scale economies, imperfect information and the scope for strategic behaviour
- doing the assessment? theories of harm and the necessary data
- examples of types of conduct

1430 - 1530 Break away session (including tea)




Groups will review two hypothetical case studies: exclusive dealing; apparent below cost pricing

1530 - 1630 Key take-home points

- Groups present their hypothetical cases
- Summary of key concepts
- Examples from cases, including key international cases

Closure

Facilitators

	<p>Professor 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>Professor Tom Ross is the Senior Associate Dean (Transition), the UPS Foundation Professor of Regulation and Competition Policy and the Director of the Phelps Centre for the Study of Government and Business in the Sauder School of Business at the University of British Columbia, Canada. Tom has been advisor to the Canadian Competition Bureau, including a year as the first holder of the T.D. MacDonald Chair in Industrial Economics at the Competition Bureau in 1990-91 and has been an economic expert on a number of cases. His research in the areas of competition policy, regulation, industrial organization and experimental economics has been published in a number of scholarly journals. He did his undergraduate work at the University of Western Ontario and earned his doctorate at the University of Pennsylvania.</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. She has been involved in research on prioritisation and impact assessments of the Commission's interventions. Reena has a M Com in economics and BCom (Hons) from the University of the Witwatersrand.</p>