

Competition Law and Policy

Michal PETR

Competition and „consumer welfare“

- Remember traveling by train to Ostrava?
 - monopoly often leads to stagnation
 - competition induces competitors to offer higher quality for lower prices
- Competition law does not „regulate“ the market
 - Create a level playing field
 - Maintain the competitive environment
 - Let the competitors compete

Competition brings benefits to consumers

■ Competition policy

- Interpretation, priorities etc. concerning enforcement
- Pro-competitive regulation (competition advocacy)
- To be included into legislative procedure (OECD Competition Assessment Toolkit)
- Case-study: UBER in Prague

Competition brings benefits to consumers

■ Competition law

- Prevents undertakings from abusing their market power
 - Collective: cartels
 - Unilateral: abuse of dominance
 - Market structure: concentrations
- Dedicated enforcement authorities: public enforcement
- Private enforcement

What is the Aim of Competition Law and Policy

- Consumer welfare?
- EU Common Market?
- Freedom of enterprise?

- The same law may be interpreted in different ways

International Dimension of Competition

- Competition authority in almost every state
- Competition rules are practically the same, but
 - What if more jurisdictions are concerned?
 - „double jeopardy“ (the *Graphite electrodes cartel*)
 - Different jurisdictions pursue different goals?
 - Vertical agreements and the Common Market
 - Protecting domestic markets (export bans)
 - Conflicting interpretation (*Microsoft, GE / Honeywell*)

Ad International cooperation

- Regional cooperation (Nordic alliance)
- Supranationality (EU)
- Global sharing of experience among enforcers (ICN)
- OECD
 - Comparing competition law and policies
 - Best practices
 - Recommendations

Cartels

- Secret agreements of competitors with anticompetitive object
 - Price fixing
 - Market sharing
 - Bid rigging
- Priority of competition authorities
- Limited evaluation of effects: „per se“ illegal

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Abuse of Dominance

- Anticompetitive effect
- No efficiencies
- Based on economic analysis
- Case-study: predatory pricing

OECD Country Studies – Peer Reviews

- Czech Republic (2014) – Economic Survey
 - *Ensure that the leniency programme is working properly and that efforts to eliminate **bid rigging** are successful*
 - *Remove the **special sector regulation for food retailing** from the competition policy framework*
 - *Secure **effective independence of network regulators**; improve the **co-ordination** between the competition authority and regulators*

Thank you for your attention

Michal PETR

michal.petr@upol.cz