

UNILATERAL CONDUCT WORKING GROUP

Sixth ICN Annual Conference

Moscow, Russia

May 30, 2007

The Objectives of Unilateral Conduct Rules

Most commonly-cited Objectives

1. Ensuring an effective competitive process (32)
2. Promoting consumer welfare (30)
3. Maximizing efficiency (20)
4. Ensuring economic freedom (13)
5. Ensuring a level playing field for SMEs (7)
6. Promoting fairness and equality (6)
7. Promoting consumer choice (5)
8. Achieving market integration (4)
9. Facilitating privatization and market liberalization (4)
10. Promoting competitiveness in international markets (2)

Objectives and Enforcement

John Fingleton, Chief Executive Office
Office of Fair Trading, United Kingdom

	Dynamic Markets (good capital markets, active consumers, strong entrepreneurship)	Sluggish markets (heavy regulation of entry, history of state monopoly, weak consumers, etc_
Over enforcement (protecting small firms, economic freedom, competitive process)	High error cost Punishes efficient leaders and rewards inefficient firms	Low error cost Stimulates the competitive process
Under enforcement (allow monopolies for policy reasons, optimistic on efficiencies)	Low error cost dynamic markets will sort most problems	High error cost Persistence of monopoly profits