



ICN
2020

Virtual Annual Conference

September 14 - 17, 2020

Welcome to Day 1!



The Program will begin shortly



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September 14 - 17, 2020

Up Next...

Welcome Remarks

Andreas Mundt

President, Federal Cartel Office, Germany
& ICN Steering Group Chair

Makan Delrahim

Assistant Attorney General, U.S. Department of Justice, Antitrust Division

Joseph Simons

Chairman, U.S. Federal Trade Commission



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Up Next...

Keynote Address

Herbert Hovenkamp

James G. Dinan University Professor
University of Pennsylvania Carey Law School



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Up Next...

Digital Showcase

MODERATORS

William Kovacic

U.S. NGA

Cristina Caffarra

U.K. NGA

PANELISTS

Makan Delrahim

Assistant Attorney General, U.S. Department of Justice, Antitrust Division

Joseph Simons

Chairman, U.S. Federal Trade Commission

Margrethe Vestager

Executive Vice-President for A Europe Fit for the Digital Age and Competition, European Commission



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Up Next...

Promotion and Implementation

ADVOCACY WORKING GROUP

CO-CHAIRS

Colombian Superintendence of Industry and Commerce

Hong Kong Competition Commission

Norwegian Competition Authority



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Up Next...

Advocacy Working Group Plenary

***Competition Advocacy in the Digital Age:
Exploring New Realms***

MODERATOR

Kjell J. Sunnevåg

Director External Relations
Competition Authority, Norway

PANELISTS

Andrés Barreto González

Superintendent, Superintendence of Industry and Commerce, Colombia

Michal Halperin

Director General, Israel Competition Authority

Rikard Jermsten

Director General, Competition Authority, Sweden

Sia Aik Kor

Chief Executive, Competition and Consumer Commission of Singapore

Martha Licetti

Practice Manager, Markets and Technology Global Practice, World Bank



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Competition Advocacy in the Digital Age: Exploring New Realms

Martha Licetti

Practice Manager

Markets and Technology Global Practice

September 14th, 2020

Plenary Session of the Advocacy Working Group

2020 ICN Annual Meeting

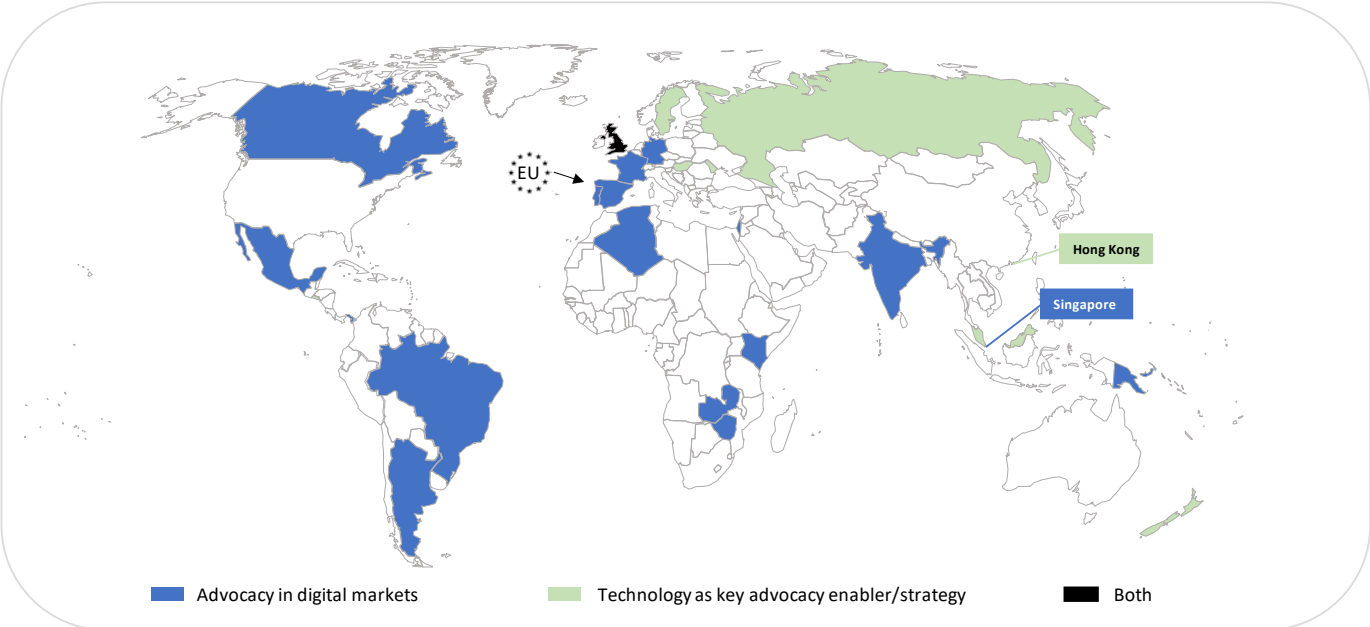


WORLD BANK GROUP

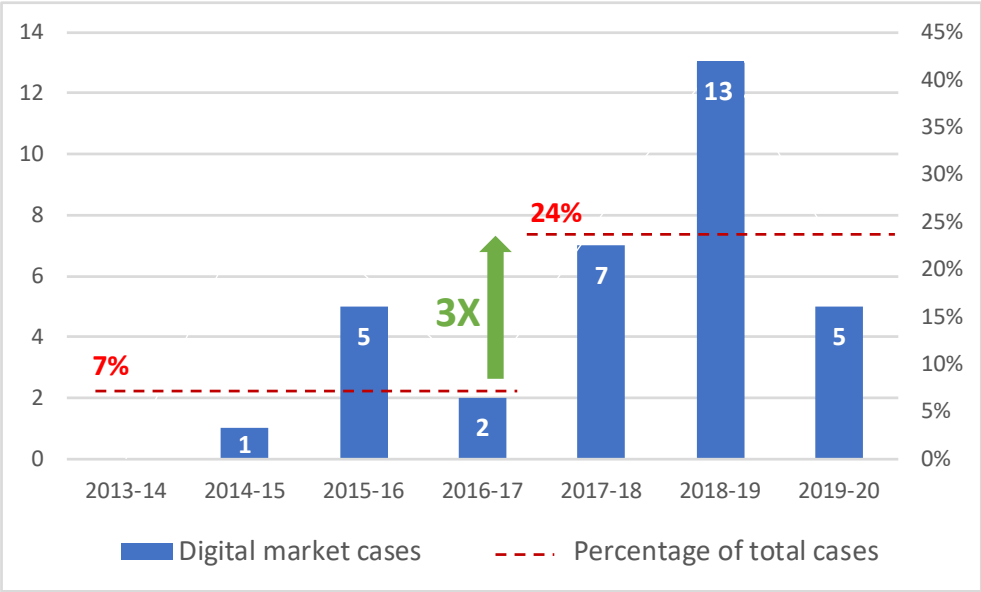
Digital economy has become a more frequent and regionally diversified advocacy topic

- ❑ There was a significant increase in number of advocacy entries on markets affected by digital technology
- ❑ Technology has been used consistently throughout the years as a tool to boost advocacy

Advocacy cases targeting the digital economy and using technology as advocacy tool - ICN-WBG Advocacy Contest (2014-2020)



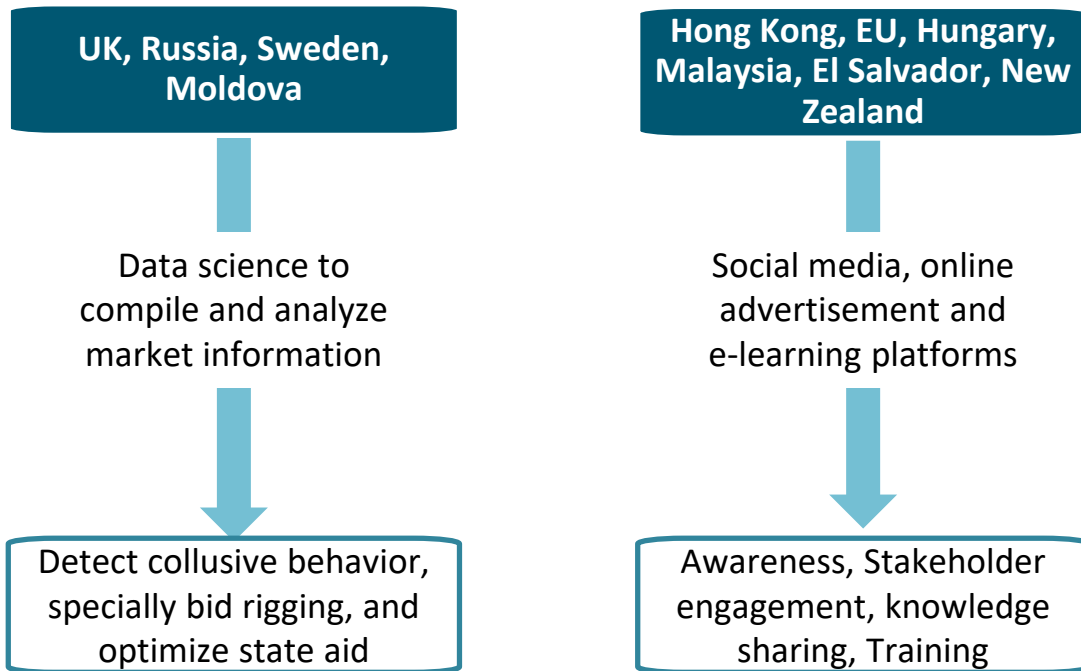
Advocacy cases targeting the digital economy ICN-WBG Advocacy Contest (2014-2020)



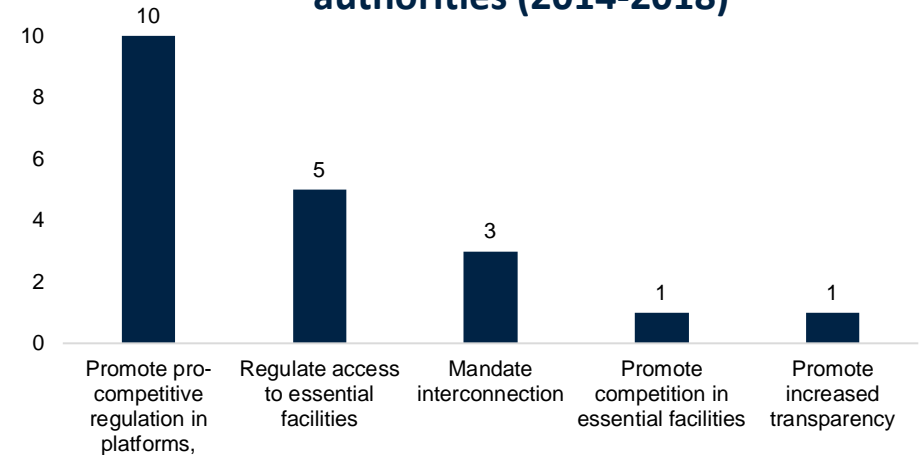
Source: ICN-WBG Advocacy Contests

Digital economy has both benefited from and supported competition advocacy

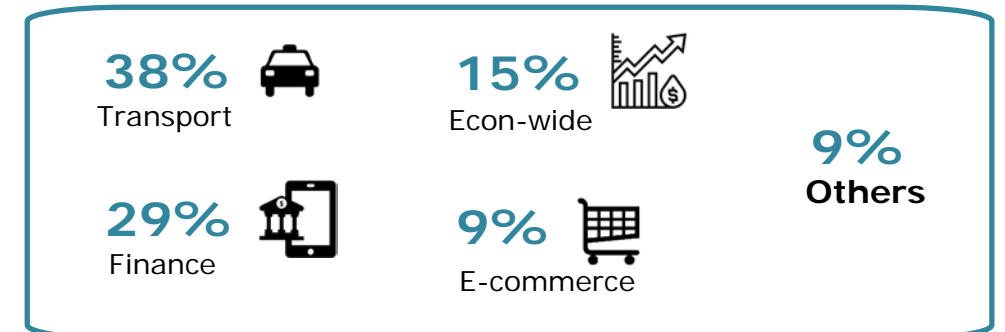
Since 2014, at least 13 cases submitted to the ICN-WBG Advocacy Contest have used technology and digital solutions as their key advocacy strategy, covering 11 jurisdictions from ECA, LAC and EAP



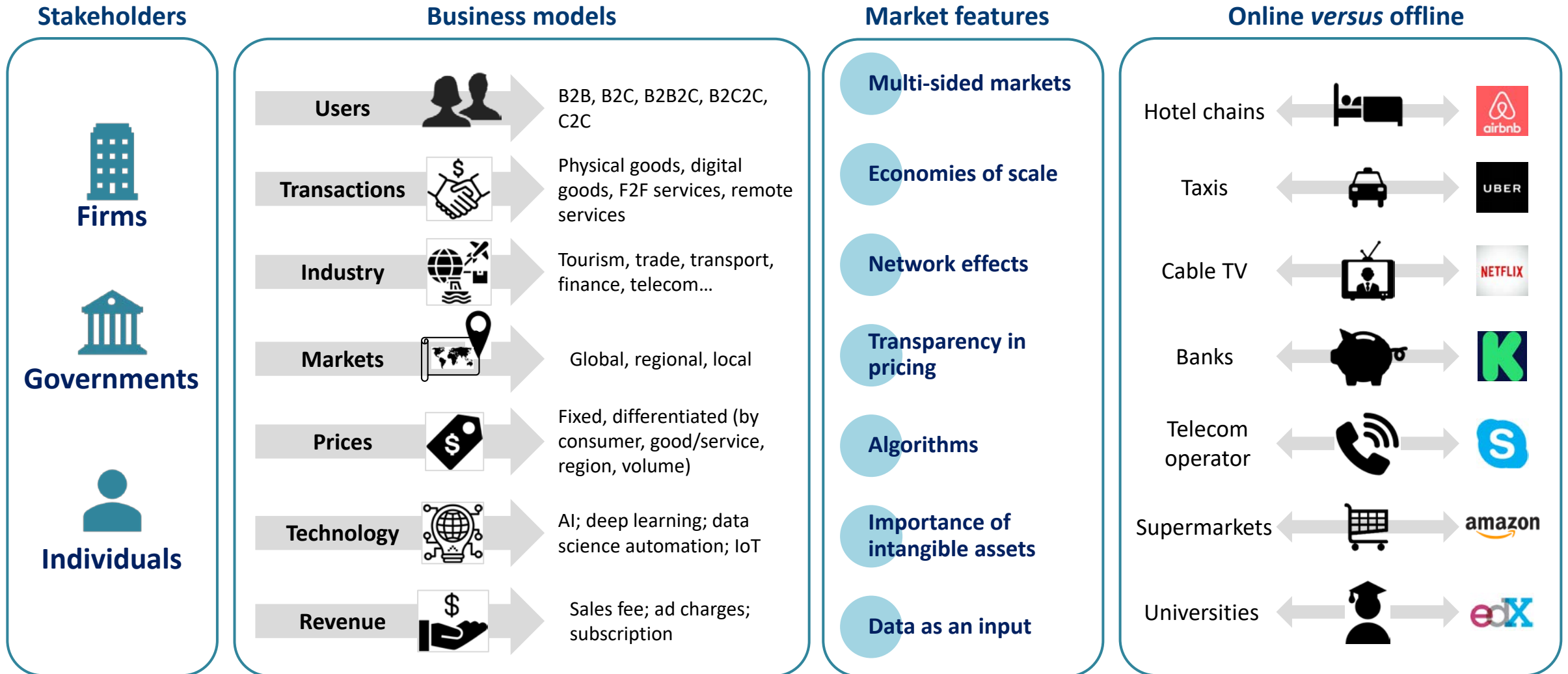
Answers to market power advocated by competition authorities (2014-2018)



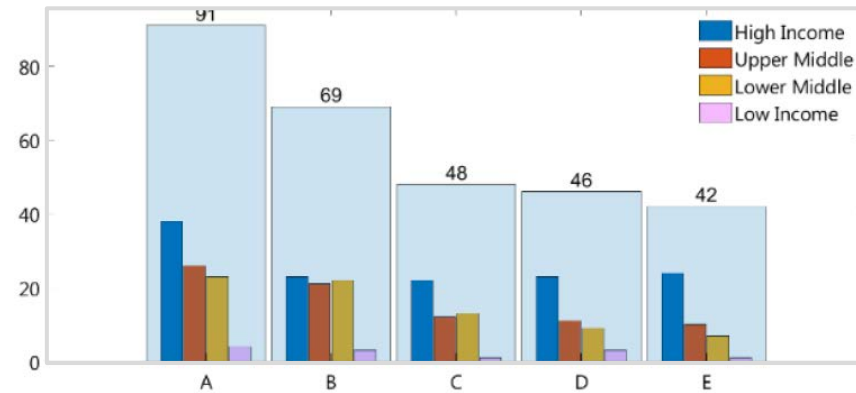
Sectoral focus (2014-2020)



How digital markets bring new topics and challenges



Regulatory challenges vary by service and market maturity: Fintech



For what type of financial service does Fintech represent the most promising option to improve competition and contestability in the financial sector?

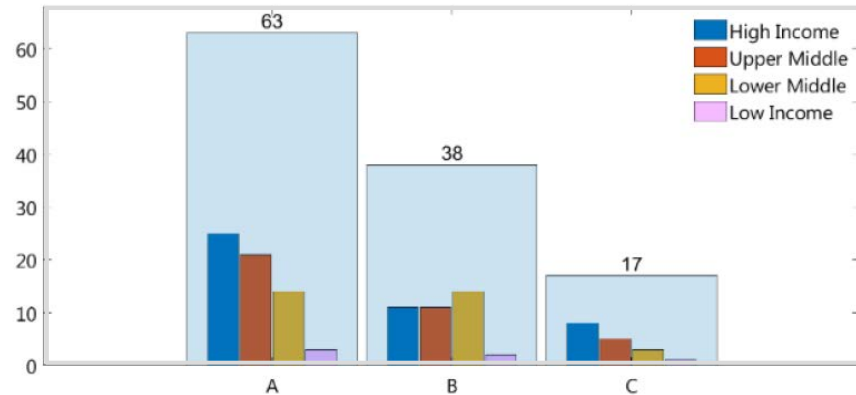
A: Payments, clearing and settlement services

B: Credits and deposits

C: Insurance

D: Capital growth services

E: Investment management services

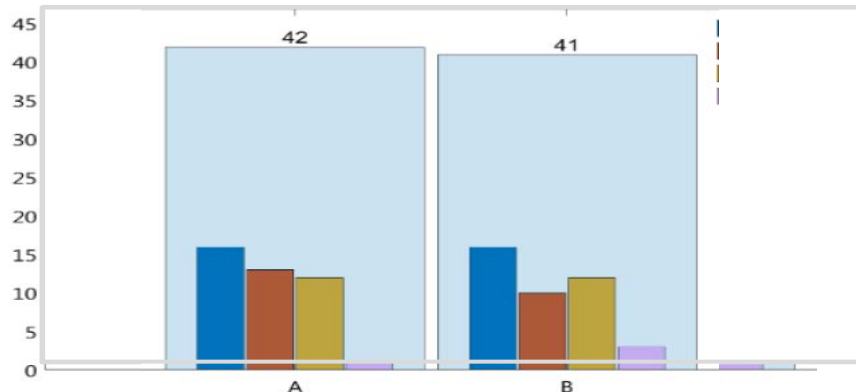


What is true for all financial infrastructure relevant to Fintech development and adoption in your jurisdiction?

A: They need fair, transparent and risk-based access criteria in the next two years

B: Provide a sufficient level of interoperability (including for new and small operators)

C: None of the above

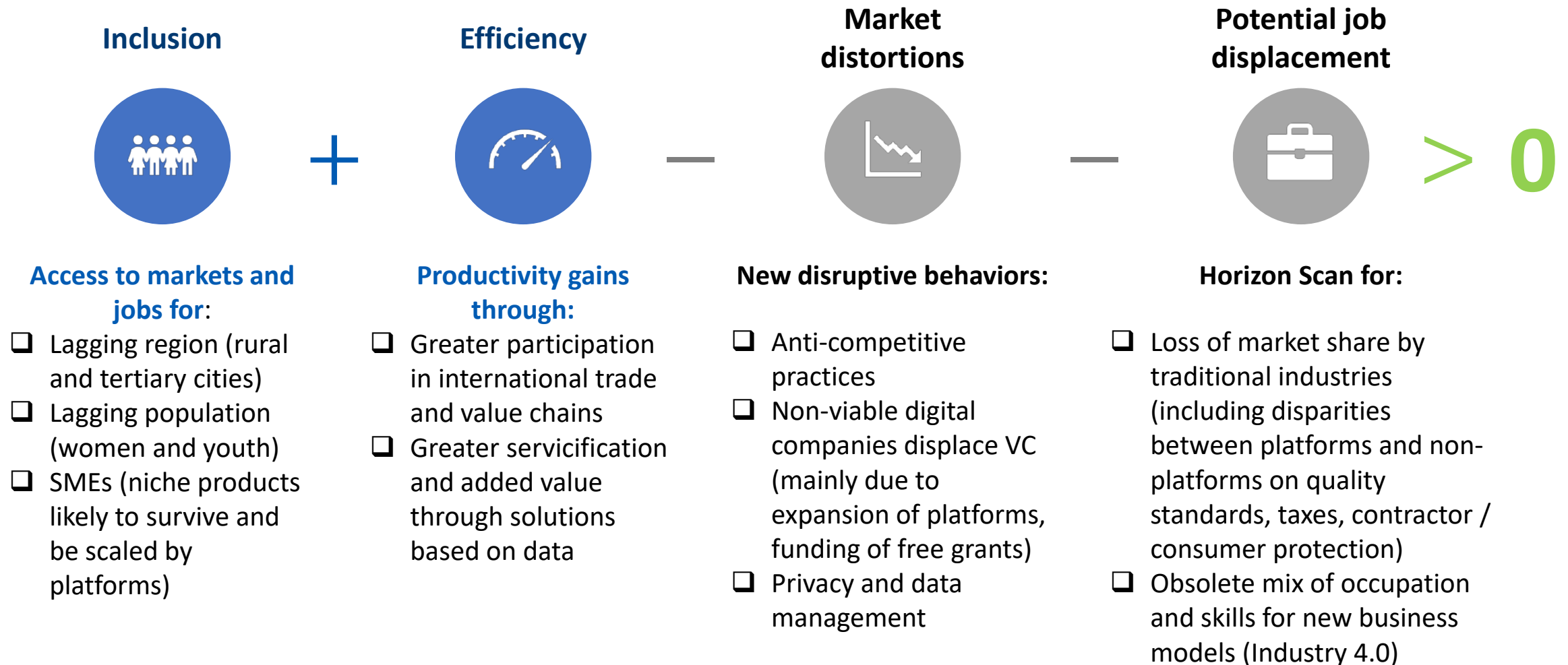


Based on Fintech developments in your jurisdiction, do you expect a change in the competition policy framework in the next 5 years:

A: Yes

B: No

Public policy analysis framework for digital economy: opportunities and risks





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THANK YOU!

MARTHA LICETTI
PRACTICE MANAGER
MARKETS AND TECHNOLOGY GLOBAL PRACTICE

mlicetti@worldbank.org



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New Technology – New Friends and Relations

Sia Aik Kor

Competition & Consumer Commission of Singapore



Use of market studies to understand digital markets

To keep in step with rapid changes in the digital economy



Data: Engine for Growth



Digital Platforms Study

Building expertise on issues in digital markets

2015

2017

2019

2020



e-Commerce Study



Online Travel Platforms Booking Study

Working with other government agencies

To address overlapping regulation issues holistically

CCCS collaborated with PDPC and IPOS on



Data: Engine for Growth

leading to further collaborations...

Supported PDPC to explore and introduce Data Portability obligation in Singapore

Contributed to PDPC's discussion paper on AI and personal data

Sought IPOS's inputs in updating the CCCS *Guidelines on the Treatment of Intellectual Property Rights in Competition Cases*

Working through multiple government platforms

To address concerns arising from digital markets



Federated locker system

Competition advisory platform to provide insights from a competition angle regarding the implementation of a federated locker system



COMMUNITY OF PRACTICE FOR COMPETITION
AND ECONOMIC REGULATIONS

COPCOMER

Inter-agency platform for government agencies to share best practices and experiences related to competition and regulation, including for digital platforms

Cooperation with other competition agencies

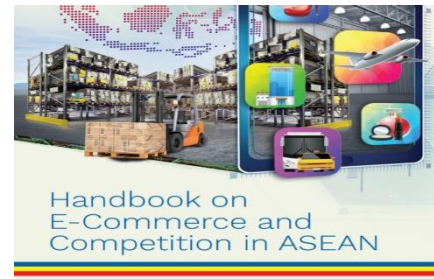
To share experiences and learn from each other

2016



ICN Special Project

2017



Handbook on E-Commerce and Competition in ASEAN

2018



ASEAN Workshop on Big Data and Competition Law





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Thank You



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Day 2 begins tomorrow at 7:00 am EDT



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Up Next...

Promotion and Implementation

AGENCY EFFECTIVENESS WORKING GROUP

CO-CHAIRS

Competition Authority of Botswana

Competition and Consumer Commission of Singapore

Swedish Competition Authority



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Up Next...

Agency Effectiveness Working Group Plenary

Digital Strategy of Competition Agencies

MODERATOR

Matthew Boswell

Commissioner of Competition
Competition Bureau, Canada

PANELISTS

Alexandre Barreto

President, Administrative Council for Economic Defense, Brazil

Andrea Coscelli

Chief Executive, Competition and Markets Authority, U.K.

Sung Wook Joh

Chairwoman, Korea Fair Trade Commission

Margarida Matos Rosa

President, Competition Authority, Portugal

Rod Sims

Chairman, Australian Competition and Consumer Commission



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Promotion and Implementation

MERGER WORKING GROUP

CO-CHAIRS

Competition and Markets Authority, U.K.

National Commission on Markets and Competition, Spain

Administrative Council for Economic Defense, Brazil



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Up Next...

Merger Working Group Plenary

Digital Mergers

MODERATOR

Edith Ramirez
U.S. NGA

PANELISTS

Reiko Aoki

Commissioner, Japan Fair Trade Commission

Cani Fernández

President, National Commission on Markets and Competition, Spain

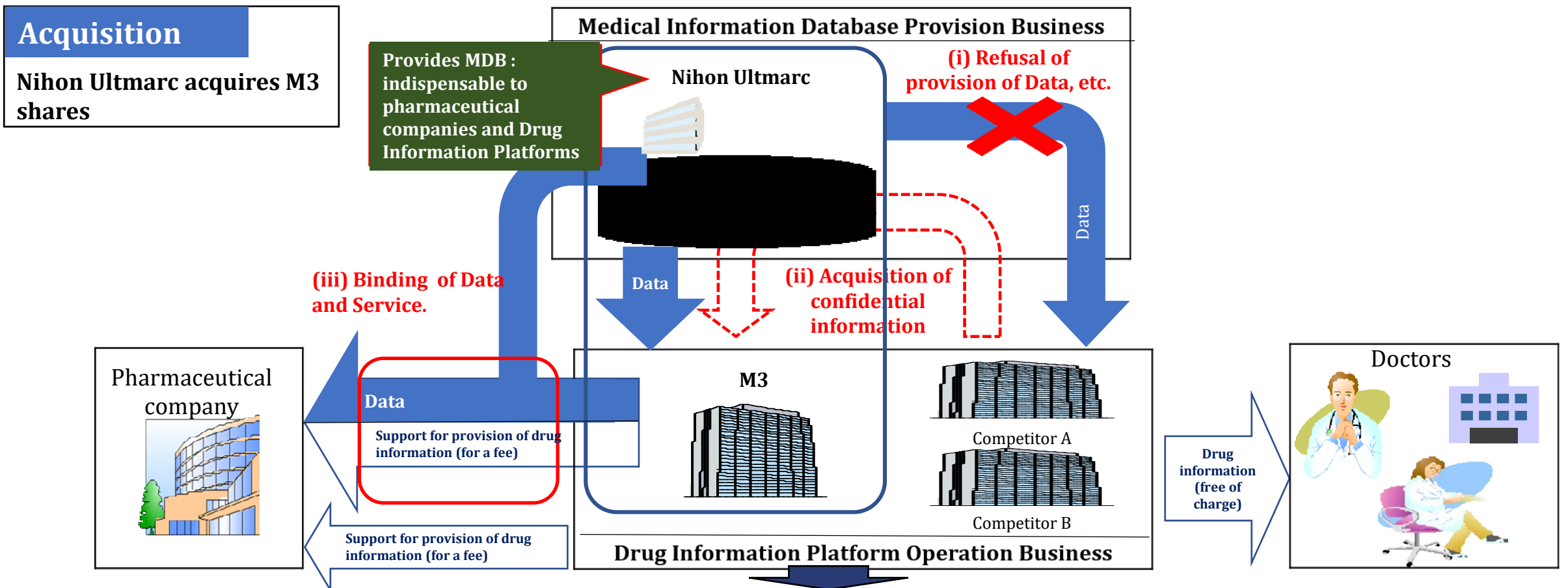
Ashok Kumar Gupta

Chairman, Competition Commission of India

Alejandra Palacios

Chairwoman, Federal Economic Competition Commission, Mexico

Case1 :M3/Nihon Ultramarc

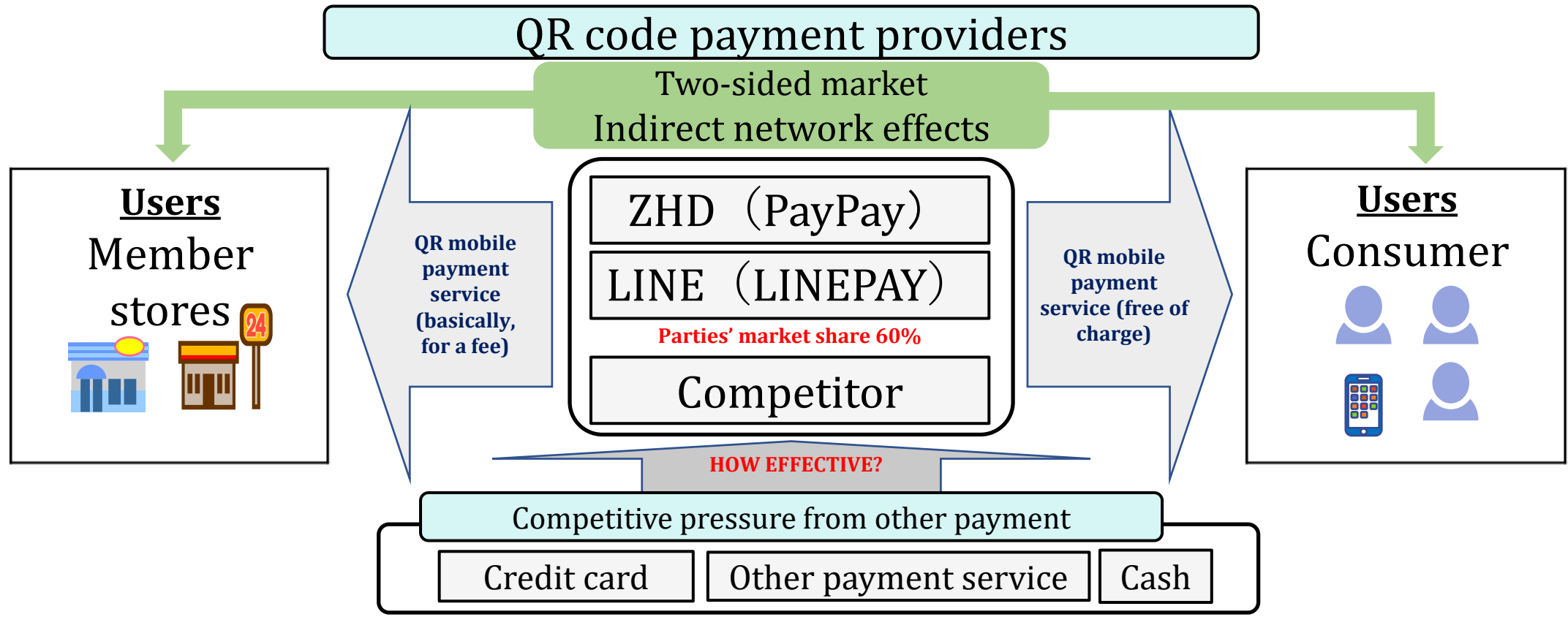


Concerns about restraint of competition
→JFTC investigation although did not meet notification criteria
→Found substantial restraint to competition through (i),(ii), and (iii)

Remedies Proposed by the Parties

- ◆ Prohibition of refusal to provide data on doctors and other healthcare professionals, discriminatory treatment and combined provision, etc.
- ◆ Implementation of firewall

The JFTC concluded, on the premise that the parties will implement the remedies, that the acquisition would not substantially restrain competition.



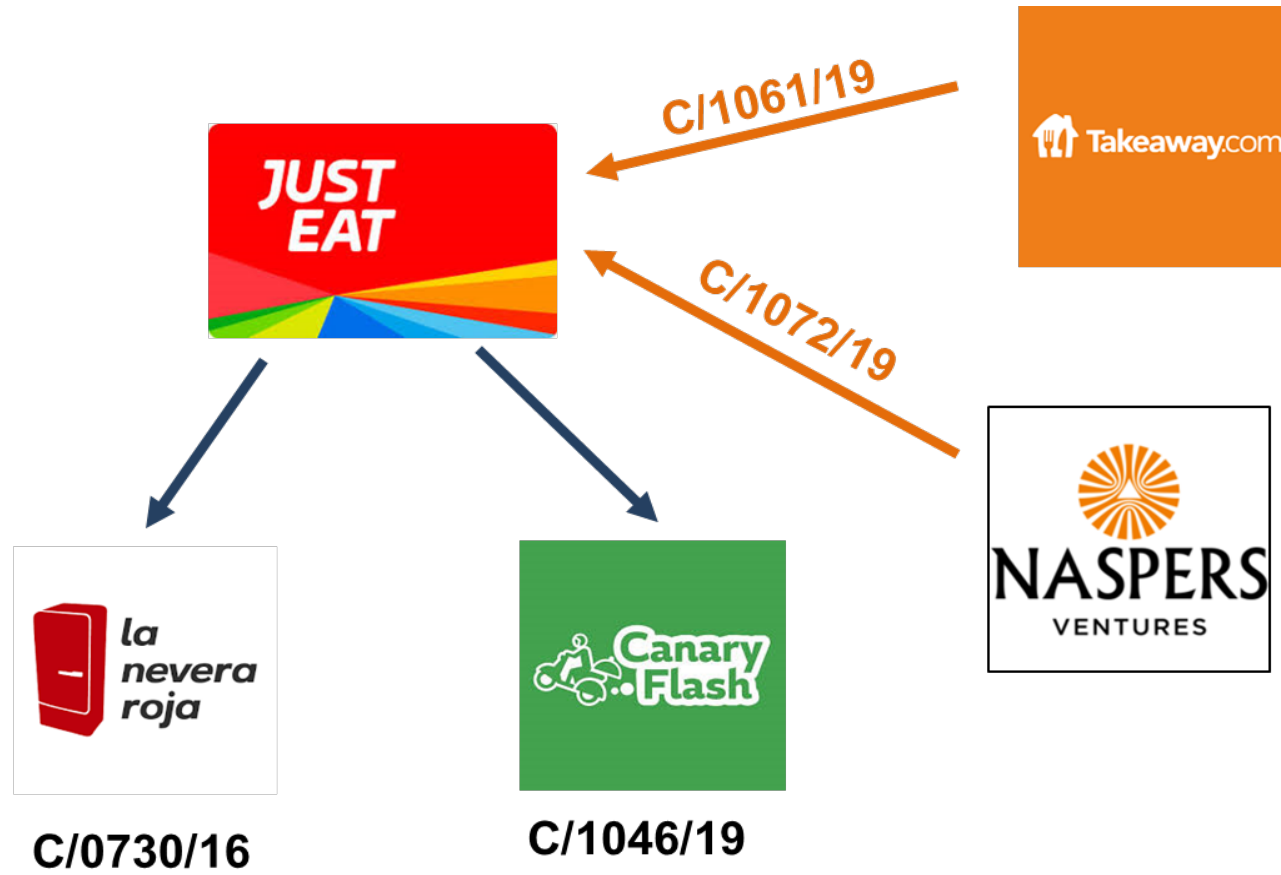
◆ **Conclusion:** Unable to conclude substantial restraint on competition in the QR code payment market at present time. At the same time, concerns remain that parties can control price and other market conditions at will in the future.

◆ **Remedial Measures**

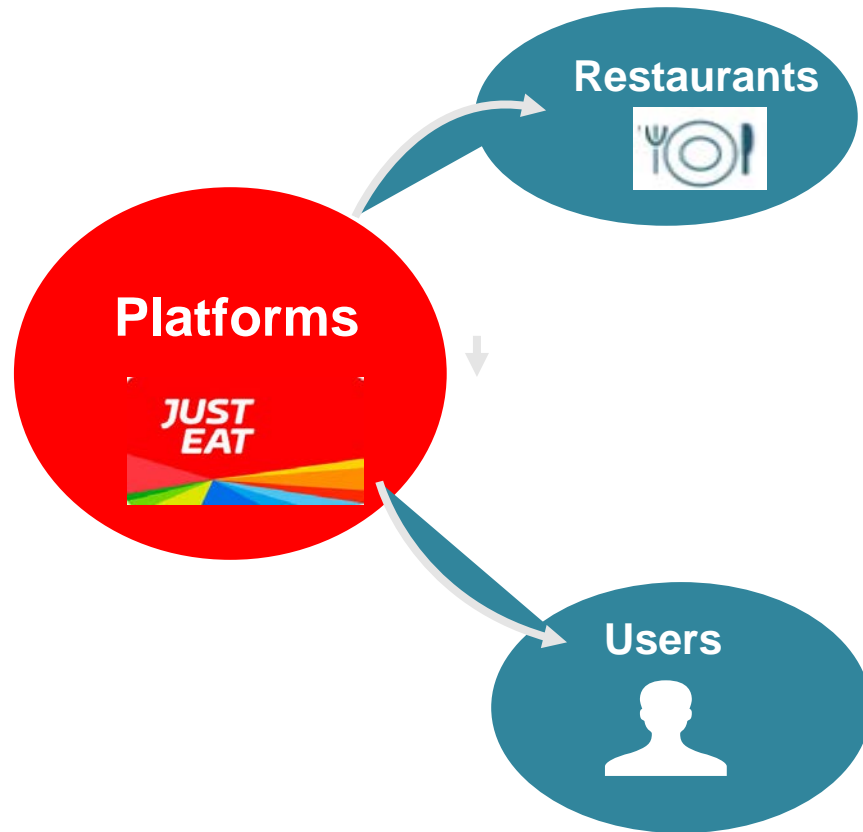
- **Annual reporting (for 3 years) and measures if necessary** : The parties need to submit a report once a year for 3 years after the implement of this managerial integration and the report needs to include the competition status of the code payment market, matters related to the merchant fees, and data related to the code payment market. Based on this report, if JFTC discovers competition concerns, the parties must enter consultation with JFTC to consider countermeasures.

- **Abolition of exclusive trading conditions**

Digital mergers: food ordering marketplaces



Market definition in multisided markets



- **Two markets? (C/0730/16)**
 - national online platform market for food delivery → restaurants demand services from the platform
 - home food delivery services → platforms compete with restaurants that provide their own delivery
- **Or one two-sided market? (C/1046/19)**
 - Transactional platform
 - Cases in other jurisdictions and comparable markets
- **Regardless, focus on the interplay between different sides**



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Up Next...

Virtual Reception

The ICN thanks the American Bar Association, Antitrust Section, for its support in organizing this reception

Pre-Registration required



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Up Next...

Promotion and Implementation

UNILATERAL CONDUCT WORKING GROUP

CO-CHAIRS

Directorate-General for Competition, European Commission

Competition Commission South Africa

Japan Fair Trade Commission



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Up Next...

Unilateral Conduct Working Group Plenary

Unilateral Conduct Remedies

MODERATOR

James Hodge

Chief Economist /Acting Deputy Commissioner
Competition Commission South Africa

PANELISTS

Olivier Guersent

Director General, Directorate-General for Competition
European Commission

Katharine Kemp

Australian NGA

Andreas Mundt

President, Federal Cartel Office, Germany

Christine Wilson

Commissioner, U.S. Federal Trade Commission



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Up Next...

Promotion and Implementation

CARTEL WORKING GROUP

CO-CHAIRS

Russian Federal Antimonopoly Service

French Competition Authority

Italian Competition Authority



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Up Next...

Cartel Working Group Plenary

Big Data and Cartelization

MODERATOR

David Anderson
EC NGA

PANELISTS

Ioannis Lianos

President, Hellenic Competition Commission, Greece

Gabriella Muscolo

Commissioner, Competition Authority, Italy

Richard Powers

Deputy Assistant Attorney General, U.S. Department of Justice

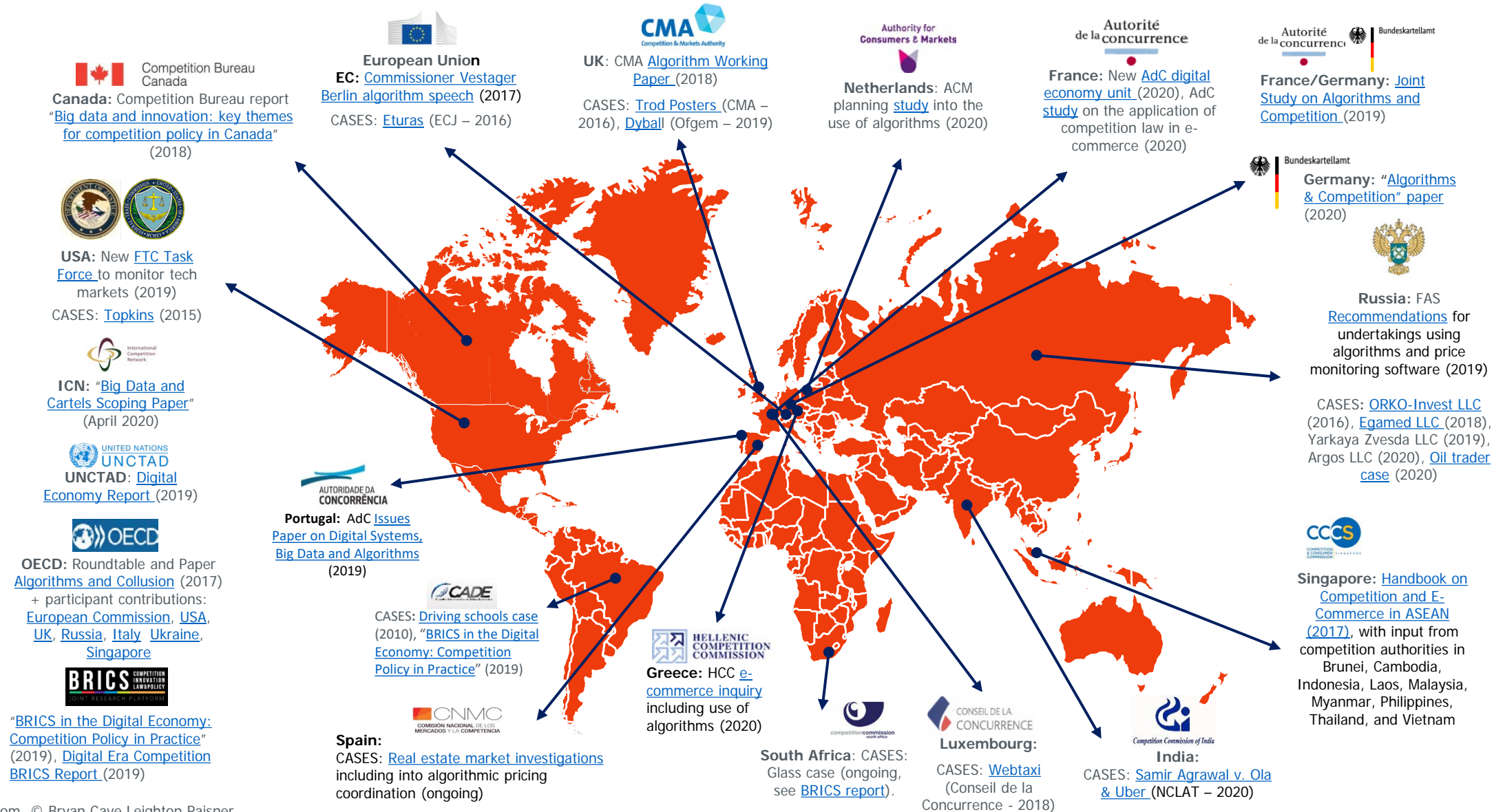
Isabelle de Silva

President, Competition Authority, France

Andrey Tsyganov

Deputy Head, Federal Antimonopoly Service, Russia

Antitrust & Big Data/Algorithms - Global Activity (Horizontal Collusion)



“The Concerned Camp”:

Digital technologies are actively used not only in the positive dimension, but also for veiled monopolization of the market and cartel conspiracies

Digital cartels and price manipulation based on big data analysis

Bid rigging via auction robots (algorithms, software)

Blockchain
create both opportunities to enhance competition and efficiency and risks of anticompetitive conduct



Is it a big issue?

Oil trader cartel on the stock exchange (2020)

The investigative process: thorough actions to understand in details the work of the stock exchange and what kind of evidentiary information we can get from it

LG case (2018)

The use of Price Monitoring Tool

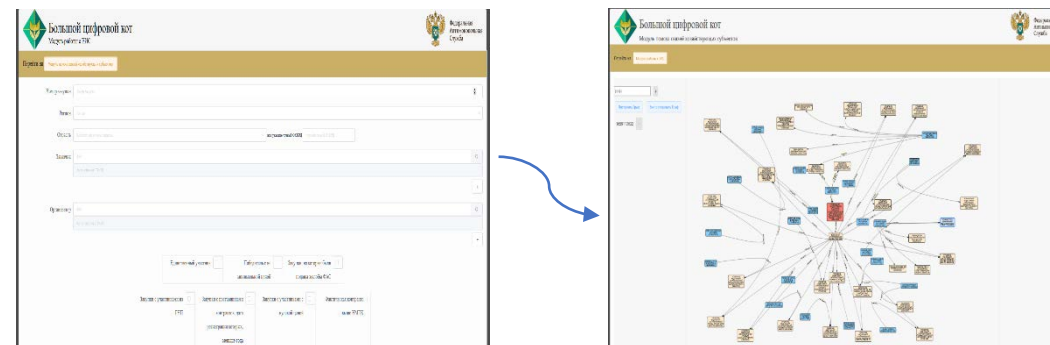
Big rigging cases (2016-up to today)

85% of cases of anticompetitive agreements are bid rigging. Since the FAS Russia is one of few world competition authorities that has the powers to control public procurement, the bid rigging detection is a big part of its work

Nevertheless the issue is scary, the FAS Russia has been constantly developing the tools and measures to effectively solve it

BIG DIGITAL CAT

Constantly being modernized and adapted to new realities. From detecting signs of bid rigging to a complex approach of tracking all the connections of a legal entity (in cooperation with other federal executive authorities)



INTERNATIONAL COOPERATION

Aimed at unifying practices used worldwide to detect and prevent digital cartels



United Nations Conference on Trade and Development
E/CN.C/CONF/8
7 July 2020
Original: English

- Annexed provisional agenda and organization of work
- I. Provisional agenda
1. Opening of the Conference;
 2. Election of the president and other officers;
 3. Adoption of the rules of procedure;
 4. Adoption of the agenda and organization of the work of the Conference;
 5. Consideration of the report of the representatives to the Conference:
(a) Report of the coordinators committee;
 6. Implementation of the United Nations guidelines for consumer protection and the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices;
 7. Strengthening consumer protection and competition in the digital economy;
 8. International enforcement cooperation among consumer protection authorities in electronic commerce;
 9. International cooperation under section F of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices: Adoption of the guiding policies and procedures;
 10. Improving consumer product safety worldwide: Good data for good policy;
 11. Competition neutrality;
 12. Combating cross-border cartels;
 13. Review of capacity-building and technical assistance on consumer protection and competition law and policy.

Wider perspective: UNCTAD
Discussion of crossborder cartels issue at the UNCTAD site is among items of agenda (ITEM 12) of the Eighth UN Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices

Multilateral, bilateral cooperation (BRICS Contact Group on cartels)

ADVOCACY

Aimed at raising awareness of business and consumers about new ways to conclude a cartel using a robot





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Day 4 begins tomorrow at 8:00 am EDT



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Up Next...

Third Decade Project

MODERATOR

Randolph Tritell

Director, Office of International Affairs
U.S. Federal Trade Commission

PANELISTS

Tembinkosi Bonakele

Commissioner, Competition Commission, South Africa

John Fingleton

U.K. NGA

Margarida Matos Rosa

President, Competition Authority, Portugal

Andreas Mundt

President, Federal Cartel Office, Germany and ICN
Steering Group Chair

Alejandra Palacios

ICN Vice-Chair and Chairwoman, Federal Economic
Competition Commission



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Up Next...

Non-Governmental Advisor (NGA) Engagement

MODERATOR

Isabelle de Silva

President, Competition Authority, France
& ICN NGA Liaison

PANELISTS

Dina Kallay

Swedish NGA

Ingrid Vandendorre

EC NGA

Koren Wong-Ervin

U.S. NGA



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The Updated ICN NGA Toolkit

<https://www.internationalcompetitionnetwork.org/wp-content/uploads/2020/05/NGAToolkit.pdf>

The ICN has a public-private sector participation structure – working together to develop best standards and procedures in competition enforcement and policy

NGA engagement brings added value to the ICN. In particular, NGAs:

- Offer a variety of perspectives – ones that are different than the agencies'
- Enhance the relevance and practicality of the ICN's work
- Augment the ICN members' limited resources
- Increase dissemination and visibility of ICN messages and work products
- Expand the “network” of the ICN



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ICN member agencies of every size, age and jurisdiction are encouraged to take a proactive approach to engaging NGAs

- Enhancing NGA diversity is an important ICN goal (e.g. professional backgrounds, gender balance and age group)
- The ICN welcomes NGAs nominated by younger agencies or smaller economies
- Academic and judge NGAs in addition to lawyers and economists

Ways for agencies to increase NGA base and interaction:

- Engagement with individuals involved in competition law is key to broadening the base of potential NGAs
- Events such as bar association programmes, continuing legal education seminars, and industry or chambers of commerce roundtables allow agencies to develop engagement with the local antitrust community
- Making it known that the ICN matters



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A sustained dialogue between member agencies and NGAs maximizes the benefits of NGA engagement.

Recommendations:

- Allow for a gradual NGA participation
- Offer an annual orientation for NGAs
- Invite NGAs to join and actively participate in at least one Working Group
- Agencies should contact WG co-chairs to ensure NGAs are added to contact lists
- Agencies encouraged to interact with NGAs in order to enable their useful contribution to the ICN and benefit from ICN engagement
- Encourage NGAs to publicize the ICN and its work



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Conclusion Summary

- NGAs are an asset to the ICN
- Agencies should seek opportunities to involve NGAs
- A sustained dialogue between agencies and NGAs improves NGA contribution
- NGAs expand the ICN's network and effect (and their own international network)
- Isabelle de Silva, President of the French Autorité de la concurrence, serves as the ICN's NGA Liaison
ICN.NGALiaison@autoritedelaconcurrence.fr



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Up Next...

Younger Agency Session

MODERATOR

Alejandra Palacios

Chairwoman, Federal Economic
Competition Commission, Mexico
& ICN Vice Chair

PANELISTS

Amabelle Asunción

Commissioner, Philippine Competition Commission

Alexandre Barreto

President, Administrative Council for Economic Defense, Brazil

Marcus Bezzi

Executive General Manager, Australian Competition and Consumer Commission

Mariana Castro

President, Commission to Promote Competition, Costa Rica

Andrés Barreto González

Superintendent, Superintendence of Industry and Commerce, Colombia

Aurélie Zoude-Le Berre

President, Competition Authority, New Caledonia

Bridging Project

- Launched in December 2019, **to foster the engagement of younger agencies with the ICN**
- The project began as a pilot in which Steering Group members volunteered to partner with young agencies, **with the participation of 11 agencies:**
 - SG members: Australia (ACCC), Brazil (CADE), Colombia (SIC) and Mexico (COFECE)
 - Young Agencies: Costa Rica (COPROCOM), Dominican Republic (Procompetencia), Ecuador (SCPM), New Caledonia (ACNC), Nicaragua (Procompetencia), Philippines (PCC) and Peru (Indecopi)
- Pairing considered languages, regional locations and previous relationships
- Partners have worked for **establishing strategies in accordance with the needs and expectations of the young agencies**
- In July 2020 a survey was carried out to evaluate the progress of the pilot and to identify areas of improvement:
 - ✓ Participants evaluated the pilot as successful and useful, such as **having first-hand knowledge shared by the SG members**
- **Next steps:** (1) Having more agencies participating, (2) Encouraging SG members to share more widely their experiences using specific ICN work products, among others



ICN

TRAINING ON DEMAND

I | COMPETITION
FUNDAMENTALS

II | HORIZONTAL
RESTRAINTS

III | DOMINANT
FIRM CONDUCT

IV | MERGERS

V | STATE IMPEDIMENTS
TO COMPETITION

VI | INVESTIGATIVE
TECHNIQUES

VII | AGENCY
EFFECTIVENESS

VIII | COMPETITION
POLICY



Member Agencies interested in certificates for staff, please contact ITOD at ITOD@ftc.gov

 TRAINING ON DEMAND

SERIES I-VIII

ICN Training on Demand Module

An Introduction to Anti-Cartel Enforcement



Outline Thumbnails Notes Search

- 19. Uses and abuses – is the analysis appropriate?
- 20. Some techniques
- 21. Overview
- 22. Overview
- 23. Price correlation for product market definition
- 24. Price correlation for product market definition
- 25. Price correlation for geographic market definition
- 26. Price correlation: pitfalls
- 27. Overview
- 28. JOHN DAVIES



VAT Imposed on Milk

- A price 'shock' (16% VAT) was applied, only to formally sold processed milk, in September 2013
- Providing a natural experiment
- Sales of fresh milk and long life milk declined, by 17.3% and 11.3% respectively.

Company	July	August	September	% change in sales in September as compared to August
AFRODANE INDUSTRIES LTD.	11,951	15,219	10,677	(29.84)
BIO FOOD PRODUCTS LIMITED				
BROOKSIDE DAIRY LTD.	1,019,061	1,059,641	861,416	(18.71)
Buzeki GITHUNGURI DAIRY FARM	221,825	223,893	205,870	(8.05)
	333,222	333,439	320,512	(3.88)
K.C.C LTD.	448,279	473,813	405,075	(14.51)
KARIANGA DAIRY LTD.	23,713	62,023	55,406	(12.33)
MERU CENTRAL DAIRY CO-OP UNION	5,983	6,818	4,821	(29.29)
SAMLER AGRICULTURE AND LIVESTOCK	101,381	98,428	81,523	(17.12)
Average change				(12.34)

ICN Training on Demand Module I-7

Economic Analysis for Newer Agencies: Part 1 of 2

Main presenters:
John Davies, OECD
Simon Roberts, University of Johannesburg



Module VI-2: State Restraints on Competition (00:01)

ICN TRAINING ON DEMAND

State Restraints on Competition: When Competition Law Applies

presented by

Eleanor M. Fox, Professor, New York University School of Law
Ekaterina Rousseva, DG Competition, European Commission
Isabelle Neale-Besson, DG Competition, European Commission
Skaidrite Abrama, Chairperson, Latvian Competition Council

www.internationalcompetitionnetwork.org

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- II Cont'd - Examples of Offen...
- II Cont'd - Examples of Offen...
- II Cont'd - Strategy of Peru
- III. Plan of the Module
- When Does the State Infringe?
- How States Affect Competiti...
- Member States' General Duty
- General Duty: Examples
- Member State's Specific Duty
- Specific Duty: Examples
- Justification for State Measu...
- State Restraints
- Ensuring a Level Playing Field
- Commercial Operators
- Commercial Operators - 2
- Preventing Overcompensation
- Other Cases

Confidentiality and the Exchange of Information



ITOD Certificate Program

Email us at ITOD@ftc.gov





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Chief Economist Session

MODERATOR

Graeme Woodbridge

Chief Economist, Australian Competition
and Consumer Commission

PANELISTS

Vicente Lagos

Chief Economist, National Economic Prosecutor's Office, Chile

Fiona Scott Morton

Professor of Economics, Yale University School of Management

Ng Ee Kia

Assistant Chief Executive, Policy, Markets and Economics,
Competition and Consumer Commission of Singapore

Andrew Sweeting

Director, Bureau of Economics, U.S. Federal Trade Commission



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Competition Assessment of Cases in Digital Markets: The Acquisition of Cornershop by Uber in Chile

Vicente Lagos

Mergers Division – Fiscalía Nacional Económica (FNE)

September 2020

Overview

Acquisition of Cornershop by Uber

- Uber: food delivery (and ride-sharing)
 - Multiple-sided platform: (i) restaurants, (ii) delivery people and (iii) final consumers
- Cornershop: grocery delivery
 - Multiple-sided platform: (i) supermarkets, (ii) shoppers (delivery) and (iii) final consumers

Main theories of harm

- Horizontal theory of harm: elimination of a potential entrant
 - Intention of Uber to independently enter the grocery delivery market
- Conglomerate theory of harm: possibility of using loyalty programs to leverage a strong market position from one market to another

Overview

Case with features of a digital market

1. Market definition: platforms and one-sided alternatives
2. Horizontal effects: removal of potential competition
3. Dynamic component: the role of indirect network effects in potentially “amplifying” the effects of certain conducts

Relevant Market: Platforms and One-sided (online) Alternatives

Differentiation of the service provided by Cornershop

- Direct communication with shopper
- Higher average ticket size (compared to other platforms)
- Shorter delivery times (compared to supermarket chains)

Consumer survey

- Hypothetical scenario of unavailability of Cornershop
 - Users would mainly switch to supermarket chains: both online and brick-and-mortar
- A large fraction of users had tried different supermarket chain apps and sites

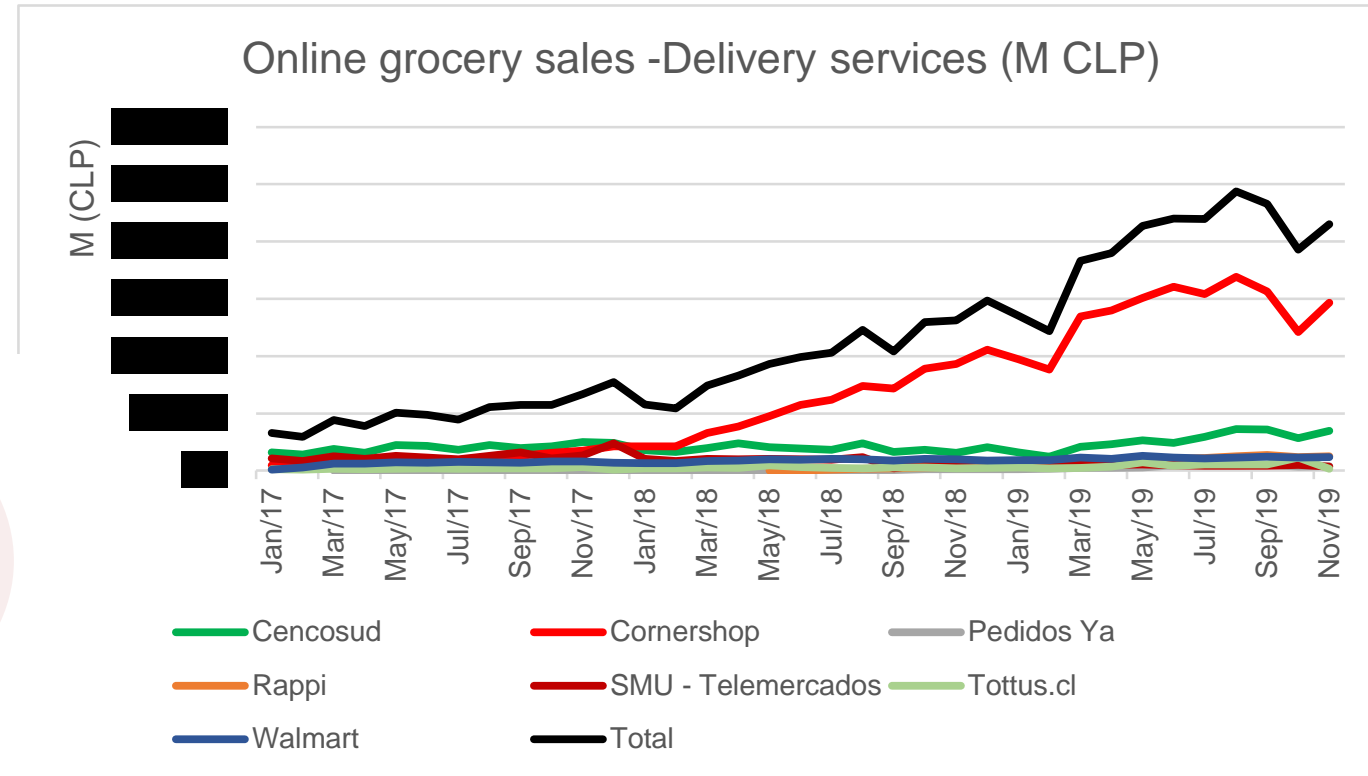
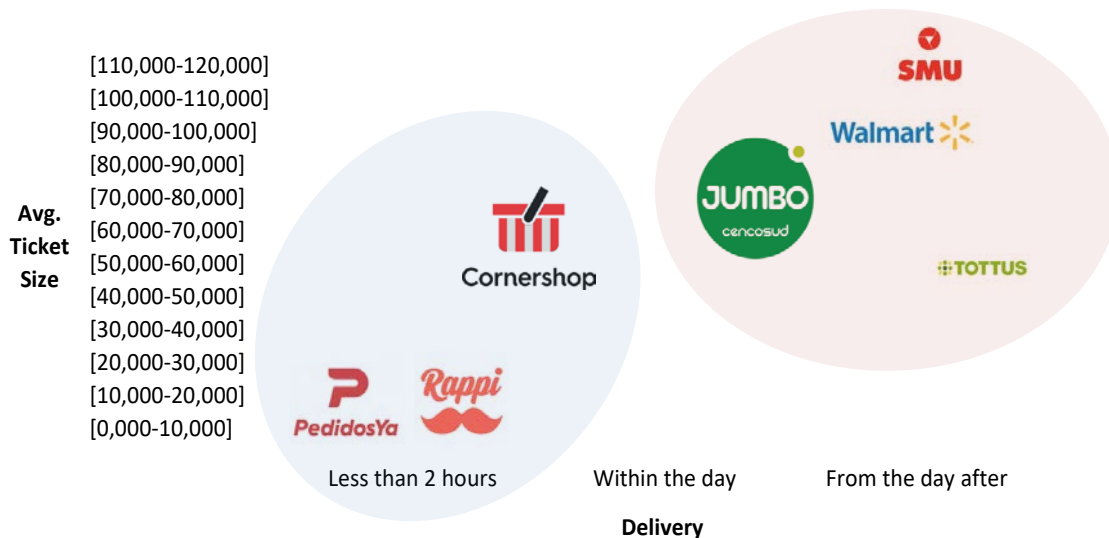
Covid-19 lockdowns viewed as a sort of “natural experiment”

- Acceleration of investments by supermarket chains (e.g., opening of dark stores)

Relevant Market: Platforms and One-sided (online) Alternatives

Fast growing market

- Cornershop is the clear market leader
- The second in the market is a supermarket chain (Jumbo/Cencosud)



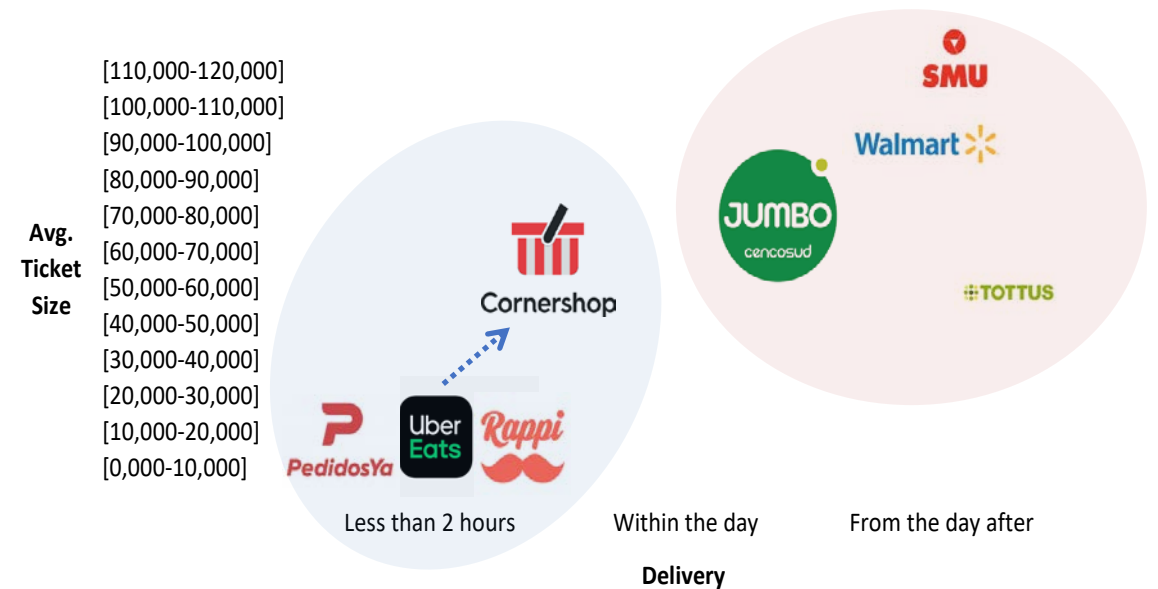
Elimination of a Potential Entrant

Uber would enter as an independent alternative to Cornershop

- Pilot project with Uber Eats interface in one supermarket chain
- Evidence of grocery delivery in other countries

Expected positioning (in the short run) similar to competing platforms

- Existent (platforms and one-sided) alternatives would discipline the merged firm to a sufficient extent
- Supermarket chains have certain competitive advantages: control of inventory, relationship with suppliers (scale and discounts), loyalty programs (link online and brick-and-mortar sales).
- Alternative platforms are expanding their services as well (e.g., dark stores)



Dynamic Component linked to Indirect Network Effects

Indirect network effects may generate spiral effects between the different sides of a platform

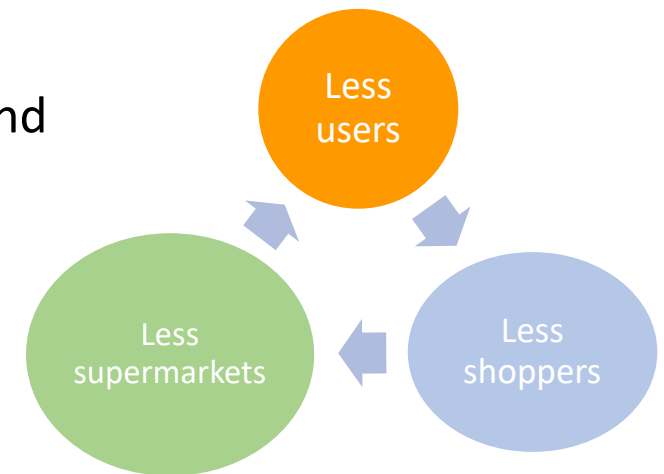
- Strategies aimed at raising rivals' costs in one side may affect the competitiveness of a platform in its other sides as well

How relevant are indirect network effects in this market?

- Simple test: There is no positive correlation between platform sales and number of supermarket chains on board

Platform	Sales (M CLP)	Supermarket Chains on Board
Cornershop	[150,000-160,000]	Jumbo, Walmart
Rappi	[5,000-10,000]	Jumbo, Tottus, Unimarc
PedidosYa	[0,000-5,000]	Jumbo, Tottus, Unimarc

- Supermarket chains would not benefit from a highly concentrated platform market: a platform may become a direct competitor
- Elements that may reduce the prob. of tipping: (i) multi-homing, (ii) product differentiation, and (iii) capacity constraints (see Haucap 2019)



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