Welcome to Day 1!
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
Up Next...
Keynote Address

Herbert Hovenkamp
James G. Dinan University Professor
University of Pennsylvania Carey Law School
**Virtual Annual Conference**

**September 14 - 17, 2020**

*Up Next...*

**Digital Showcase**

**PANELISTS**

**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
Promotion and Implementation

CO-CHAIRS

Colombian Superintendence of Industry and Commerce
Hong Kong Competition Commission
Norwegian Competition Authority
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
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
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

UK, Russia, Sweden, Moldova
- Data science to compile and analyze market information
- Detect collusive behavior, specially bid rigging, and optimize state aid

Hong Kong, EU, Hungary, Malaysia, El Salvador, New Zealand
- Social media, online advertisement and e-learning platforms
- Awareness, Stakeholder engagement, knowledge sharing, Training

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

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote pro-competitive regulation in platforms</td>
<td>10</td>
</tr>
<tr>
<td>Regulate access to essential facilities</td>
<td>5</td>
</tr>
<tr>
<td>Mandate interconnection</td>
<td>3</td>
</tr>
<tr>
<td>Promote competition in essential facilities</td>
<td>1</td>
</tr>
<tr>
<td>Promote increased transparency</td>
<td>1</td>
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</tbody>
</table>

Sectoral focus (2014-2020)

- **38%** Transport
- **15%** Econ-wide
- **29%** Finance
- **9%** E-commerce
- **9%** Others

Source: ICN-WBG Advocacy Contests
How digital markets bring new topics and challenges

### Stakeholders
- **Firms**
- **Governments**
- **Individuals**

### Business models
- **Transactions**: Physical goods, digital goods, F2F services, remote services
- **Industry**: Tourism, trade, transport, finance, telecom...
- **Markets**: Global, regional, local
- **Prices**: Fixed, differentiated (by consumer, good/service, region, volume)
- **Technology**: AI; deep learning; data science automation; IoT
- **Revenue**: Sales fee; ad charges; subscription

### Market features
- **Multi-sided markets**
- **Economies of scale**
- **Network effects**
- **Transparency in pricing**
- **Algorithms**
- **Importance of intangible assets**
- **Data as an input**

### Online versus offline
- Hotel chains
- Taxis
- Cable TV
- Banks
- Telecom operator
- Supermarkets
- Universities
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

Inclusion

Access to markets and jobs for:
- Lagging region (rural and tertiary cities)
- Lagging population (women and youth)
- SMEs (niche products likely to survive and be scaled by platforms)

Efficiency

Productivity gains through:
- Greater participation in international trade and value chains
- Greater servicification and added value through solutions based on data

Market distortions

New disruptive behaviors:
- Anti-competitive practices
- Non-viable digital companies displace VC (mainly due to expansion of platforms, funding of free grants)
- Privacy and data management

Potential job displacement

Horizon Scan for:
- Loss of market share by traditional industries (including disparities between platforms and non-platforms on quality standards, taxes, contractor / consumer protection)
- Obsolete mix of occupation and skills for new business models (Industry 4.0)
THANK YOU!

MARTHA LICETTI
PRACTICE MANAGER
MARKETS AND TECHNOLOGY GLOBAL PRACTICE

mlicetti@worldbank.org
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*

Building expertise on issues in digital markets

- **2015**
  - e-Commerce Study

- **2017**
  - Data: Engine for Growth

- **2019**
  - Online Travel Platforms Booking Study

- **2020**
  - Digital Platforms Study
Working with other government agencies

To address overlapping regulation issues holistically

**CCCS collaborated with PDPC and IPOS on**

- 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

**Data: Engine for Growth**

leading to further collaborations...
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

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
Thank You

🌐 [www.cccs.gov.sg](http://www.cccs.gov.sg)
✉️ [cccs_feedback@cccs.gov.sg](mailto:cccs_feedback@cccs.gov.sg)
📞 1800-325 8282
Thank you for attending Day 1!

Day 2 begins tomorrow at 7:00 am EDT
Welcome to Day 2!

The Program will begin shortly
Up Next...
Promotion and Implementation

AGENCY EFFECTIVENESS WORKING GROUP

CO-CHAIRS

- Competition Authority of Botswana
- Competition and Consumer Commission of Singapore
- Swedish Competition Authority
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
Virtual Annual Conference
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Up Next...
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
Up Next...

Merger Working Group Plenary

**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

**Digital Mergers**

**MODERATOR**

Edith Ramirez  
U.S. NGA
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.
Case 2: ZHD (Yahoo) / LINE

QR code payment providers

Two-sided market
Indirect network effects

Users
Member stores

QR mobile payment service (basically, for a fee)

ZHD (PayPay)

LINE (LINEPAY)

Competitor

Users
Consumer

QR mobile payment service (free of charge)

Parties’ market share 60%

HOW EFFECTIVE?

Competitive pressure from other payment

Credit card  Other payment service  Cash

**Conclusion:** Unable to conclude substantial restrain 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 implementation 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
The ICN thanks the American Bar Association, Antitrust Section, for its support in organizing this reception.
Welcome to Day 3!

The Program will begin shortly
CO-CHAIRS

Directorate-General for Competition, European Commission

Competition Commission South Africa

Japan Fair Trade Commission
Unilateral Conduct Working Group Plenary

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

Unilateral Conduct Remedies
CARTEL WORKING GROUP

CO-CHAIRS
Russian Federal Antimonopoly Service
French Competition Authority
Italian Competition Authority
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)

**Canada:** Competition Bureau report “Big data and innovation: key themes for competition policy in Canada” (2018)

**USA:** New FTC Task Force to monitor tech markets (2019)
CASES: Topkins (2015)

**ICN:** “Big Data and Cartels Scoping Paper” (April 2020)

**UNCTAD:** Digital Economy Report (2019)

**OECD:** Roundtable and Paper Algorithms and Collusion (2017)
+ participant contributions: European Commission, USA, UK, Russia, Italy, Ukraine, Singapore


**Portugal:** ADC issues Paper on Digital Systems, Big Data and Algorithms (2019)

**Spain:** CASES: Real estate market investigations including into algorithmic pricing coordination (ongoing)

**France:** New AdC digital economy unit (2020), AdC study on the application of competition law in e-commerce (2020)

**UK:** CMA Algorithm Working Paper (2018)
CASES: Trod Posters (CMA – 2016), Dybal (Ofgem – 2019)

**Netherlands:** ACM planning study into the use of algorithms (2020)

**Germany:** “Algorithms & Competition” paper (2020)

**France/Germany:** Joint Study on Algorithms and Competition (2019)

**Russia:** FAS Recommendations for undertakings using algorithms and price monitoring software (2019)

**Brazil:** CASES: Driving schools case (2010), “BRICS in the Digital Economy: Competition Policy in Practice” (2019)

**Singapore:** Handbook on Competition and E-Commerce in ASEAN (2017), with input from competition authorities in Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Thailand, and Vietnam

**Germany:** “Algorithms & Competition” paper (2020)

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“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?**

**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.

**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
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.

**ADVOCACY**

Aimed at raising awareness of business and consumers about new ways to conclude a cartel using a robot.
Thank you for attending Day 3!

Day 4 begins tomorrow at 8:00 am EDT
Welcome to Day 4!

The Program will begin shortly
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
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
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
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
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
Up Next...

Younger Agency Session

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

MODERATOR

Alejandra Palacios
Chairwoman, Federal Economic Competition Commission, Mexico & ICN Vice Chair
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
Member Agencies interested in certificates for staff, please contact ITOD at ITOD@ftc.gov
ICN Training on Demand Module

An Introduction to Anti-Cartel Enforcement

ICN Training on Demand Module 1-7

Economic Analysis for Newer Agencies: Part 1 of 2

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

State Restraints on Competition:
When Competition Law Applies

presented by
Eleanor M. Fox, Professor, New York University School of Law
Ekaterina Roussava, DG Competition, European Commission
Isabelle Neinertz-Brenner, DG Competition, European Commission
Shyamkrishna Albahani, Chairperson, LatAm Competition Council

www.internationalcompetitionnetwork.org

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.

Confidentiality and the Exchange of Information

Marcus Bezzi, Australian Competition & Consumer Commission
ITOD Certificate Program

Email us at ITOD@ftc.gov
Up Next…
Chief Economist Session

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
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

<table>
<thead>
<tr>
<th>Platform</th>
<th>Sales (M CLP)</th>
<th>Supermarket Chains on Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cornershop</td>
<td>[150,000-160,000]</td>
<td>Jumbo, Wallmart</td>
</tr>
<tr>
<td>Rappi</td>
<td>[5,000-10,000]</td>
<td>Jumbo, Tottus, Unimarc</td>
</tr>
<tr>
<td>PedidosYa</td>
<td>[0,000-5,000]</td>
<td>Jumbo, Tottus, Unimarc</td>
</tr>
</tbody>
</table>

• 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)
References


Up Next...

Closing / Introduction of ICN 2021 Host

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

Csaba Balázs Rigó
President, Hungarian Competition Authority
Thank you for attending ICN 2020!