

COMPETITION ECONOMICS HANDBOOK 2020

Published in association with:

Cornerstone Research

Copenhagen Economics

Berkeley Research Group

E.CA Economics



Competition Economics Handbook 2020

A Global Competition Review Special Report

Reproduced with permission from Law Business Research Ltd
This article was first published in November 2019
For further information please contact Natalie.Clarke@lbresearch.com

Competition Economics Handbook 2020

Insight account manager Bevan Woodhouse

Head of production Adam Myers

Deputy head of production Simon Busby

Editorial coordinator Hannah Higgins

Production editor Harry Turner

Subeditor Hilary Scott

Research editor Tom Barnes

Researcher Helen Barnes

Editor, Global Competition Review Pallavi Guniganti

Publisher Clare Bolton

To subscribe please contact

Global Competition Review

Meridian House, 34-35 Farringdon Street

London, EC4A 4HL

United Kingdom

Tel: +44 20 7908 9205

Fax: +44 20 7229 6910

subscriptions@globalcompetitionreview.com

No photocopying. CLA and other agency licensing systems do not apply.

For an authorised copy contact claire.bagnall@globalcompetitionreview.com

This publication is intended to provide general information on competition law, economics and policy. The information and opinions that it contains are not intended to provide legal advice, and should not be treated as a substitute for specific advice concerning particular situations (where appropriate, from local advisers).

© 2019 Law Business Research Limited

ISBN: 978-1-83862-221-3

Printed and distributed by Encompass Print Solutions

Tel: 0844 248 0112

Competition Economics Handbook 2020

Published in association with:

Cornerstone Research

Copenhagen Economics

Berkeley Research Group

E.CA Economics

CONTENTS

Albania.....	1	Estonia.....	43
Algeria	3	Emmi Martikainen and Anssi Kohonen	
Argentina.....	4	Copenhagen Economics	
Armenia	6	European Union	46
Australia	11	Claus Kastberg Nielsen, Adina Claiaci and	
Austria	14	Federico De Michiel	
Azerbaijan	16	Copenhagen Economics	
Barbados.....	17	Fiji.....	53
Belgium	18	Finland.....	54
Bosnia and Herzegovina	20	Emmi Martikainen, Anssi Kohonen and Kalle Kantanen	
Brazil.....	21	Copenhagen Economics	
Bulgaria	24	France.....	58
Canada	26	Germany	60
Channel Islands.....	29	Hans W Friederiszick, Simone Kohnz and	
Colombia	30	Rainer Nitsche	
Croatia	32	E.CA Economics	
Cyprus.....	34	Greece	67
Czech Republic.....	35	Hungary.....	68
Denmark.....	36	Iceland.....	70
Henrik Ballebye Okholm and Torben Thorø Pedersen		India	71
Copenhagen Economics		Indonesia.....	73
Egypt.....	41	Ireland.....	75
El Salvador	42	Israel	77
		Italy	79
		Jamaica.....	80
		Japan.....	82
		Kenya	84

Korea	87	Russia	124
Latvia	88	Serbia.....	127
Emmi Martikainen and Mindaugas Cerpickis Copenhagen Economics		Seychelles	129
Lithuania	92	Singapore	131
Mindaugas Cerpickis and Emmi Martikainen Copenhagen Economics		Slovakia	132
Luxembourg.....	95	Slovenia	134
Malaysia	96	South Africa	135
Malta.....	98	Spain.....	137
Mauritius	99	Swaziland	139
Mexico	101	Sweden.....	140
Montenegro	103	Karl Lundvall and Mattias Almqvist Copenhagen Economics	
Netherlands	104	Switzerland	145
New Zealand.....	106	Tunisia	147
North Macedonia	108	Turkey	148
Norway	110	Ukraine	151
Henrik Ballebye Okholm and Erik Lindén Copenhagen Economics		United Kingdom	153
Pakistan	115	Peter Davis, Vivek Mani, Can Celiktemur and Vikram Kumar	
Peru	116	Cornerstone Research	
Philippines	118	United States.....	161
Poland	119	Henry J Kahwaty and Cleve B Tyler Berkeley Research Group	
Portugal.....	121	Zambia.....	167
Romania	122	Zimbabwe	169

Global Competition Review is delighted to publish this thirteenth annual edition of the *Competition Economics Handbook*.

With economics at the centre of competition law, this handbook identifies the issues that antitrust economists are tackling today. The book's comprehensive format provides contact details for competition agencies' economists in over 70 jurisdictions. A Q&A format illustrates how the advisers are organised and their input into the regulation and enforcement process.

Much of the information has been provided by the agencies themselves and we are, as ever, grateful for all their cooperation.

The *Competition Economics Handbook 2020* is one of five special reports included in a *Global Competition Review* subscription each year, alongside four issues of the magazine, a survey on a four-year rotation (*Corporate Counsel* published in January 2019 and *40 Under 40*, to be published in January 2020) and two signature surveys, *Rating Enforcement* and *The GCR 100*.

We would like to thank all those who have worked on the research and production of this publication.

The information listed is correct as of October 2019.

Global Competition Review

London

October 2019

Overview

Mindaugas Cerpickis and Emmi Martikainen
Copenhagen Economics

Three recent landmark decisions highlight the increasing use of economic methods in public and private competition law enforcement in Lithuania. First, in April 2018, the Lithuanian Competition Council (LCC) reported that UAB Rimi Lietuva (RIMI) failed to implement merger remedies that the authority approved as a condition when clearing the merger of large grocery chains in Lithuania. Second, in October 2017, the Supreme Administrative Court of Lithuania upheld the LCC's decision by which the merger of two major pilsner malt producers in Lithuania was prohibited. Third, in 2019, the preliminary findings of the LCC showed that the merger between a national and a local fixed internet access services and paid TV services providers (Cgates and Splus) would lead to a significant restriction of competition in a local market. Subsequently, the merger filing has been withdrawn by the acquirer. Extensive economic analysis preceded each decision.

This article is based on interviews with prominent competition law practitioners from the law firms Cobalt, Ellex, Sorainen, TGS Baltic and Walless, as well as with the legal and the economist team of the LCC.

The role of economic analysis is increasing in mergers

The number of cleared mergers ranged from 23–37 annually in the 2016–2018 period. In contrast, one to two merger cases per year were prohibited or withdrawn by merging parties due to concerns expressed by the LCC. The number of cases where the LCC moved to the second phase investigation was up to 10 each year. For the past several years, the LCC accepted only structural remedies, though the parties often offered behavioural commitments as well.

According to the interviewees, mergers are overall becoming more complex, one reason being that the market is more and more consolidated. Long investigation times and the extent of data required to submit to the LCC was mentioned by some of the interviewees as creating costs for the companies. A comparison was

made to other Baltic states where merger investigation times and information requests by the competition authorities are perceived to be less burdensome.

The LCC and the market participants are using economic methods in mergers more often than in the past. However, the economics used seems to rely more on qualitative arguments and questionnaires sent to market participants rather than, for example, econometric effects analysis. The use of economics has, however, increased as private parties have produced their own analysis. For example, catchment area analysis, small but significant and non-transitory increase in price test, price difference analysis and others have been used both by the private parties and the LCC in recent merger cases.

Abuse cases are relatively rare and focus is on cartels

Abuse of dominance cases are relatively rare. Cartel detection continues to be one of the LCC's focus points. One of the most prominent cases in 2017 concerned joint bidding in the construction market, which according to the LCC was a by object restriction of competition. The case is now pending in Supreme administrative court.

The EU Damages Directive has been fully transposed to the national law, but damages cases are still rare. There are two stand-alone pending damages cases and two follow-on damages cases.

LCC's economists have a role in prioritising investigations

All the LCC's economists are placed in the Economic Analysis Group, formed in 2018. The LCC expects to expand the unit in the future. In addition to case work, the economists play a role in prioritising which investigations the LCC launches. Specifically, the LCC prioritises and selects cases for further investigation based on three criteria: the impact on effective competition and consumer welfare, strategic significance and rational use of resources.



Mindaugas Cerpickis
Copenhagen Economics

Mindaugas Cerpickis acts as an economic consultant at Copenhagen Economics, specialising in helping clients in competition and dispute resolution cases. Cerpickis has worked on a number of dispute, merger and abuse of dominance cases, including cases where sector regulation and competition economics intersect, for example, in postal and telecom sectors. Before joining Copenhagen Economics, he worked as a management consultant.



Emmi Martikainen
Copenhagen Economics

Emmi Martikainen is an economic consultant at Copenhagen Economics helping clients with issues where competition law and economics intersect, including a wide variety of merger and abuse of dominance cases, damage estimations and compliance issues. She holds a PhD in economics from the University of Turku and has taught microeconomics and competition economics in Finnish universities. Before joining CE, Martikainen worked as an economist at the Finnish Competition and Consumer Authority.



Langebrogade 1 (entrance B3)
DK-1411 Copenhagen
Denmark
Tel: +45 5373 2454

Copenhagen Economics Helsinki
Hämeentie 11
00530 Helsinki
Finland
Tel +358 40 016 3950

Mindaugas Cerpickis
mic@copenhageneconomics.com

Emmi Martikainen
emm@copenhageneconomics.com

www.copenhageneconomics.com

Copenhagen Economics is one of the leading economic consultancies in Europe. Founded in 2000, we currently employ more than 90 people operating from our offices in Copenhagen, Stockholm, Helsinki and Brussels. Based on established research methods and in-depth sector knowledge, we help our clients make better choices in their political and commercial reality. Our senior team provides pragmatic solutions founded in economics to law firms, private companies, regulators, and policy makers all over the world. We are particularly dedicated to 12 service areas, including competition, dispute support, digital economy, intellectual property valuation and transfer pricing, and postal and delivery. *Global Competition Review* lists Copenhagen Economics among the top 20 economic consultancies in the world and has done so since 2006.

