IDRC CRED project
Competition Research Training Workshop
Flamenco Hotel, Zamalek, Cairo, 14-16 September 2010

PROGRAM

Resource persons
Izak Atiyas (Sabançi University, Turkey), Phil Evans (UK CC panel member), Elizabeth Farina (University of Sao Paolo, Brazil), James Hodge (Genesis Analytics, South Africa), Halil Baha Karabudak (Turkish Competition Authority, Turkey)

IDRC
Susan Joekes, Miriam Ruscio, Hanan Abdulkarim

Participants
Research teams from: Chile, Colombia, Egypt, Honduras, India, Jamaica, Mongolia, South Africa, Uzbekistan and Zambia

Refreshments
Lunches are served in the Hotel Restaurant. Coffee/Tea will be freely provided each day and breaks taken at convenient times between or during the sessions.

DAY ONE: TUESDAY 14 SEPTEMBER

Session 1: 10h-11h – PLENARY

OPENING SESSION
✓ Context, purpose and structure of the workshop (Susan Joekes)
✓ Presentation of participants
✓ IDRC logistics and local information (Hanan Abdulkarim)

Session 2: 11h-12h30 – PLENARY

PART A – RESEARCHING COMPETITION ISSUES IN REGULATED SECTORS AND POLICY DOMAINS OUTSIDE THE IMMEDIATE JURISDICTION OF COMPETITION AUTHORITIES

Introductory remarks by resource persons: Izak Atiyas / Halil Baha Karabudak / Phil Evan

1 List of participants by country with contact details attached.
A.1. PUBLIC PROCUREMENT

Presentation and discussion of methodology in an ongoing study:

- Competition Issues in Public Procurement in India (15 minutes)
- General discussion and feedback

12h30-14h – LUNCH

Session 3: 14h-15h30 – PLENARY

PART A - Continued

A.2. RETAIL FINANCE

Presentation and discussion of methodology in an ongoing study:

- Jamaica - identifying impediments to competition in the retail banking industry (15 minutes)
- General discussion and feedback

16h Guided Tour of Egyptian Museum, El Moez street and Khan el Khalili market

DAY TWO: WEDNESDAY 15 SEPTEMBER

Session 4: 9h-11h – PLENARY

PART B – STANDARD MARKET STUDIES: FOOD PRODUCTS

Analytical challenges for studying contemporary food markets

- Lead resource person: Elizabeth Farina

B.1. RESEARCH FINDINGS FOR SELECTED AFRICA COUNTRIES

- South African, Zambia and Egypt working group study findings (10 minutes each presentation)
- General discussion and feedback

Session 5: 11h-13h – PLENARY

PART B - Continued

B.2. ONGOING STUDIES IN LATIN AMERICA AND CENTRAL ASIA

- Market study of the poultry sector in Honduras (15 minutes)

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2 Organized by Travel Agency HRG Egypt. Program and cost are attached. Final bookings for this tour will be taken at 13h, 14th September by Hanan Abdulkarim.
Oligopsonistic agricultural markets (the case of rice) in Colombia (15 minutes)
✓ Competition analysis of food supply chains in Uzbekistan (15 minutes)
✓ General discussion and feedback

13h-14h30 – Lunch

Session 6: 14h30-15h30 – BREAK OUT GROUPS

B.3. BREAK OUT GROUPS FOR METHODOLOGY DISCUSSIONS

Research teams from:
✓ Honduras – Resource person: Elizabeth Farina
✓ Colombia – Resource person: Phil Evans
✓ Uzbekistan – Resource person: James Hodge

Session 7: 15h30-17h – PLENARY

PART B - Continued

B.3. REPORTS BACK FROM BREAK OUR GROUPS AND WAYS FORWARD

Reports back to full group by the research teams from Honduras, Colombia and Uzbekistan (10 minutes each)

General discussion on competition policy priorities and research problems in food markets

20h – Dinner at Sequoia Restaurant, Zamalek

DAY THREE: THURSDAY 16 SEPTEMBER

Session 8: 9h30-10h30 – PLENARY

PART A – Continued

A.3. ANALYTICAL AND POLITIC CHALLENGES FOR COMPETITION RESEARCH INTO TELECOMS

✓ Lead resource persons: Izak Atiyas/James Hodges

Presentation and discussion of methodology in an ongoing study:
✓ Competition problems in telecom in Mongolia (15 minutes)
✓ Feedback and recommendations

10h30-11h – Coffee break
Session 9: 11h-12h30 – PLENARY

PART C. APPROACHES TO EVALUATION OF COMPETITION INTERVENTIONS: GENERAL DISCUSSION

✓ Lead resource persons: Phil Evans/Izak Atiyas

Presentation and discussion of methodology in an ongoing study:

✓ Impact assessment of the Chilean Competition Authority's interventions in the supermarket industry (15 minutes)
✓ Feedback and recommendations

12h30-14h30 – LUNCH

Session 10: 14h30-15h30

Wrap up session; workshop evaluation; roundtable on lessons learned

Discussion on the future of the IDRC CRED Project – regional perspectives

19h30 – Dinner at Abu el Sid, Zamalek

Note: background materials, including research proposals, to be given out in advance.
## ATTACHMENTS: CONTACT LISTS

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16h Pick up from Flamenco Hotel

Egyptian Museum
The Egyptian Museum in Cairo is home to an extensive collection of ancient Egyptian antiquities. The museum was founded in 1835, near Cairo's Ezekhaya Gardens, but promptly moved to Boulaq in 1858, to hold the museum's burgeoning collection. However a flooding of the Nile in 1878 caused irreparable damage to the Boulaq building, and the collection found itself in transition, first to Giza, then to its current home in Tahrir Square.

It has 120,000 items, with a representative amount on display, the remainder in storerooms. At the ground floor there are the huge statues. The upper floor houses small statues, jewels, Tutankhamon treasures and the mummies. The Museum also comprises a photography section and a large library.

Although there are various complaints about the Egyptian Museum - labeling is scarce, the walkway is not as smoothly orientated and guides are barely helpful -yet the objects confined in the building speak rather for themselves, throwing light on one of the world's truly awesome civilizations.

El Moez Street
It is one of the most amazing streets in Islamic Cairo it dates back to the Fatimid era (10th-12th century in the Christian calendar) and has almost all types of Islamic architecture decorated with Arabic calligraphy.

Khan el Khalili market
The Khan el Khalili is a sprawling labyrinth of narrow alleyways, small shops, cafés, and historic buildings. For centuries a center for trade in the Middle East and North Africa, the Khan el Khalili is still one of the largest shopping areas in Cairo.

Of all the famous sights of Cairo, the Khan el Khalili market is one of the most unique, if somewhat overwhelming, places to visit. Originally established in 1382, as its history indicates, the Khan el Khalili, or “Khan,” was established by Emir Djaharks el-Khalili during the time when the Fatimids ruled Egypt. Since then, the market has grown and changed, becoming famous for its ancient streets, the shops selling everything from clothes to spices to souvenirs.

Rate will be US$ 26
The rate includes the following:
- Round trip transfer in Hotel/Sites- Sites/Hotel by A/C bus
- Entrance fees to the Egyptian Museum
- Guided tour with English speaking guide

The rate excludes the following:
- Entrance to the mummies room [ US$ 20,- per person]
- Gratuities for driver, guide, etc.
CRED

Competition Research for Economic Development

Competition Research Training Workshop

14-16 September 2010
Flamenco Hotel, Zamalek, Cairo

Workshop Report
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List of Participant

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1. Purpose of the workshop

The workshop had being planned to address the topics, analytical and data issues raised in all the shortlisted proposals received in the latest round of the CRED Project. The workshop aimed at giving some general instruction from highly qualified resource persons in research methods and in competition policy issues related to the subjects of the proposals, which included public procurement, retail finance, food, telecommunication, and evaluation of competition interventions. The workshop was informal and interactive, with active participation from participants, who all came from national competition authorities with the addition, in some cases, of their local research collaborators. Apart from the institutions submitting their research proposals, representatives from South Africa Competition Commission, Zambia Competition Commission and the Egyptian Competition Authority also participated in the workshop; They were invited to share the result of their studies on food markets that they had been pursuing jointly with IDRC support.

2. Summary of proceeding

The workshop was conducted over three days, September 14-16, 2010, in Cairo and was attended by the research team members from ten different countries namely Chile, Colombia, Egypt, Honduras, India, Jamaica, Mongolia, South Africa, Uzbekistan and Zambia.

The workshop was manly conducted in plenary sessions, for presentation of ongoing studies and research findings from selected African Countries (South Africa, Zambia and Egypt), with one break out session for methodology discussions on three proposals (Colombia, Honduras and Uzbekistan). The plenary sessions aimed at giving all participants opportunity for discussion of particular studies (completed or underway) on a range of topics of concern to all competition authorities. Resource persons introduced each plenary session, laying out the theoretical context, research challenges and difficulties in enforcement notions and giving examples and cases from different countries. These introductions were followed by the presentations of ongoing studies by the different participating competition authorities and their research collaborators.

**Day one : Tuesday, 14th September**

The workshop was opened by Susan Joekes, (IDRC Responsible Program Officer for the CRED project). She first gave some introductory remarks about the International Development Research Centre (IDRC) as a publically funded but independent institution which aims at building the skills and expertise of people and institutions in developing
countries to undertake the research that they believe is most needed\(^1\). She introduced the “Competition Research for Economic Development” (CRED) project that has been funded through the Globalization, Growth and Poverty (GGP) program. The main activity of the CRED project is to give grants to competition authorities in developing countries in order to strengthen the implementation of competition policy and thereby contribute to the efficiency, social welfare and economic governance goals of development. She noted the vibrancy of work on competition policy within the GGP program and IDRC’s intention to continue investing in this topic in its next 5 year programming cycle. She then presented the workshop program and gave logistical information for the participants.

Participants then introduced themselves to each other, explaining their professional background and their expectations from the workshop. The most common expectations, shared by all the research team members, were: sharing experiences; gathering information and comments; garnering feedback to improve their research proposals and ongoing studies; finding out about existing competition challenges in other countries and the ways they are addressed; learning from others’ experiences and knowing what problems they had overcome in conducting studies. From the other side, resource persons expected to be able to contribute by increasing the scope of economic analysis within the studies and learning more about competition issues in different economies and markets.

Most of the participants stated that it was the first time they had attended a research training workshop on competition issues, suggesting that such event could be a useful tool for meeting other competition authorities and experts and sharing information and ideas crucial for their future work.

Discussion on the first day focused on the regulated sectors and specifically on public procurement and retail finance. The first session was opened with introductory remarks on research into competition issues in regulated sectors such as telecommunication and banking and in other policy domains outside the immediate jurisdiction of competition authorities. The remarks were given by resource persons **Izak Atiyan** (Sabanç University, Turkey), **Halil Baha Karabudak** (Turkish Competition Authority, Turkey) and **Phil Evans** (UK CC panel member).

**Izak Atiyan** spoke on regulation and competition in telecoms. In his intervention he differentiated between ex-ante and ex-post regulation, presenting the differences and the role of specific regulator vs competition authority. Discussing the role of regulatory and competition authorities, **Halil Baha Karabudak** started with focussing on three aspects of regulation that can be identified in terms of regulatory roles: *economic regulations*,

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\(^1\) IDRC Annual Report 2009-2010.
which intervene directly in market decisions such as pricing, competition, market entry, or exit; technical regulations, which involve setting and enforcing product and process standards designed to deal with safety, environmental and switching cost externalities; competition law enforcement which generally entails the control of abuse of dominance and other anti-competitive practices\(^2\). Keeping these distinctions in mind, he reported the different approaches that can be used in resolving the conflict of mandate between regulatory and competition authorities. Phil Evans pointed out the difficulties that young competition authorities in developing countries have in dealing with regulated sectors. He focused his intervention on the social impact of regulated sectors such as water as well as telecommunications and noted also that it is crucial to be aware of political factors when competition authorities deal with competition issues.

After these introductory remarks, Luyamba Mpamba from Zambia Competition Commission pointed to the ambiguous situations created by law whereby price regulation is against competition law principles. In this regard, Izak Atiyas and Halil Baha gave two suggestions. The first suggested that one solution can be search for a common agreement between the two authorities (deploying a high level of expertise can help reach agreement and solve the case), unless there has been already a real case in which one of the two authorities took a position. Another solution could lie in the law, aiming to change it for a better definition of the case, although the possibility for action of this kind is usually limited. Halil Baha proposed three different actions a competition authority could take: decide the case; give some recommendation to the regulatory agency; or go to the Appeal Court and state that the price regulation is against the competition law.

The discussion by resource persons was followed by the presentation of a study “Regulation on Public Procurement and Competition Issues in India” submitted by the Competition Commission of India (CCI) and Energy and Resource Institute (TERI). Renuka Jain Gupta (CCI) started the presentation with some general background on public procurement in India and the existing regulatory framework. Afterwards Gaurang Meher (TERI) presented a case study on cartel involvement in India Railways’ procurement, laying out its objectives, methodology and deliverables. The study’s main objective is to analyse the impact on competition of the regulatory and policy framework, the various bidding model/ tender documents used, the role of procurement officials, and pro-competition reforms in public procurement. Doing this, the proponents aim at providing tools to raise awareness and facilitate advocacy on the role of CCI, drawing on best practice from across the world.

Participants then raised the following points from the floor:

\(^2\) The definition of economic and technical regulation had been given by OECD in 1998.
if the study involves officials, could this lead to greater corruption in the system and therefore higher probabilities of bid rigging cases? 

- in many other countries such as in Egypt, identifying bid-rigging is not difficult. The problem is to know how to proceed in such cases. That is a reason why awareness is so crucial.

- since in cases of bid-rigging it is hard to simulate the effect, it is important to include in the study estimation of the saving for the public as a parameter to evaluate the effect.

The delegate of the Jamaican Fair Trading Commission (JFTC), Kevin Harriott then presented a study on Retail Finance titled “Identifying Competition in the Retail Banking Industry”. He first explained the research problem, the aim of the study and the methodology used. The study aims at promoting and/or preserving the competitiveness of the industry. The research problem is to examine if the observed imperfect information structure of the market (consumers are not aware of real prices for banking services) facilitates the abusive exercise of market power. For this purpose, the methodology will use data on retail banking industry structure and performance, and data from a consumer survey to characterize information asymmetries; characterize consumer switching costs; and recommend remedial measures to mitigate adverse effects.

After the presentation of the study, the following comments, recommendations and suggestions were raised:

- Izak Atiyas suggested that if consumers hold more information, they could change their behaviour. For this reason, it could be useful to include some hypothetical questions in the survey to find out to what extent consumers would change their behaviour if they had more information;

- According to Baha Karabudak and others, the case could involve sectoral regulation (consumer protection issues). Therefore, it is important to know if the competition authority has the jurisdiction to deal with such a case.

**Day two: Wednesday, 15th September**

The second day of the workshop was dedicated to work on food product markets. The day started with a general presentation by Elizabeth Farina, followed by the presentation of research findings for selected African countries (South Africa, Zambia and Egypt), and then of two ongoing studies from Latin America (Honduras and Colombia) and one from

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3 Kavin Harriot, Jamaica Fair Trade Commission.
4 Ayman Shafie, Egyptian Competition Authority.
5 Phil Evans, UK CC panel member.
Central Asia (Uzbekistan). Three breakout sessions were then held to discuss the Honduras, Colombia and Uzbekistan proposals in greater depth.

In her presentation, **Elizabeth Farina** discussed the “Analytical challenges for studying contemporary food markets”. She emphasized the importance of food markets for developing countries and their impact on poverty. Her intervention focused on the distinction and relation between *competitiveness* and *competition*. It is crucial to separate these analytically, because, although related, they lead to different kinds of problem. Indeed, in some cases, behaviours such as price increases could not be caused by anti-competitive practices, only by problems of competitiveness. In order to identify the two different problems (competitiveness or competition), she brought together production and value chain analysis and competition issues, gave some practical examples, and suggested some useful literature for in-depth understanding of the issue.

Afterwards, the workshop continued with the presentation of the studies conducted by South Africa, Zambia and Egypt in a “food joint project” financed by IDRC through the CRED project.

The delegate from the **Zambia Competition Commission**, **Willard Mwemba**, presented a research study entitled “To evaluate competition dynamics in the production, supply and pricing of maize grain, maize meal and fertilizer in Zambia”. The study involved the analysis of three sub-sectors, fertilizer, maize grain and maize meal. It focuses on determining the possible existence of producer cartels in each case. The Commission had also reviewed the procurement system for fertilizer for a government subsidy program. The objective of the study was to support small scale farmers and seek a lowering in the price of maize, hence enhancing the welfare of Zambian people.

The study began with an investigation of the relation between agricultural food commodity price increases and the increase in the price of fertiliser. There was found to be a correlation between the price of fertiliser and the price of the final product, maize meal. The study found that final product prices of maize meal are raised because of competition problems at all three levels of the production chain: problems in the public procurement of fertilizer caused by cartel behaviour among fertilizer suppliers in (and producers outside) Zambia; problems in the intermediary market for the purchasing of maize from farmers; and possible cartel behaviour among millers.

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6 Zambia mainly imports fertilizers from South Africa. Thanks to a meeting between Zambia Competition Commission and South Africa Competition Commission within the IDRC joint food project, it was realized that in South Africa there was an export cartel and that Zambia was one of the countries affected by the cartel.
One of the main points highlighted by the presenter and confirmed in the discussions was that the competition authority has to interact with other agencies in seeking to identify anti-competitive practices which can impact the domestic markets.

The Zambian case was followed by a presentation by Donya Hassan, Egyptian Competition Authority (ECA), entitled “Egypt’s selected food market studies”. After a brief presentation of the ECA mandate and history of its investigations in food markets (red meat, milk, edible oil, sugar and rice), she spoke about the edible oils market study that was started in 2004 and completed in 2007. The study was stimulated by price increases in refined and packed blended oil (the main product on the market), which had been thought a consequence of anticompetitive practices and barriers to entry. However the study found no evidence of anti-competitive practices, i.e. no vertical agreements, no presence of monopoly (neither of the two main players had 25% market share which in the Egyptian law is the threshold for identifying a dominant position); and no successful cartels (firm margins were modest). The ECA therefore decided to redirect the study to an investigation of unrefined imported oils. After presenting the market study, Ms Hassan explained that the ECA now plans to deepen its study of the informal dairy sector. As in other sectors, its huge scale often leads to miscalculation in assessing the size of the market for formal producers. Future research also needs to be carried out on topics such as bid rigging for public procurement; consultation and training regarding forensic techniques, hardware and software; study of government regulations and interventionist policy with regard to the food and agriculture sector; and training in harm assessment methodologies.

In the discussion, noting the stickiness of domestic prices after reductions of international prices, the delegate from Jamaica, Kevin Harriot, suggested examining the precise relation between import and domestic prices.

Afterwards, Liberty Mncube from the South Africa Competition Commission, presented the study “Collusive conduct in the wheat and white maize milling industries in south Africa”. The presentation included policy background (regulation and liberalization process after 1996); two illustrative cartel cases respectively on wheat flour and maize meal markets; two received complaints regarding anti-competitive information exchange which can facilitate collusion among competitors; lessons learned from the study and conclusion.

The presentation focused on two cartel cases; in each case, the speakers presented information on the industry background, market structure and the effect of cartels. The two cases were important because of their effects to the poor, maize meal is a staple food while wheat flour is an intermediary product used to produce bread, another staple food.
Briefly, the first case, on wheat flour, concerned price fixing and customer allocation by the four pioneers in the market starting after the de-regulation of the industry in 1996. The situation continued to 2007 when Premier’s CLP\(^7\) application occurred. Anticompetitive behaviors had not been based on a precise formula but by a series of agreements, multilateral and bilateral meetings involving anti-competitive arrangements such as determination of price lists, customer allocation through the different regions, etc.. The behavior of prices\(^8\) and margins was compared during the cartel and post cartel periods. Margins declined immediately after the granting of leniency when price fixing between competitors stopped, with an accompanying increase in prices\(^9\). Afterwards, margins recovered, and the sharing of detailed sales data has continued up to the present. This behavior denoted tacit collusion, which, according to the literature, is more likely after explicit collusion has taken place, because firms may have learned ways to organize themselves to collude (Connor, 2004). The second case, covering white maize and meal cartel, had the same dynamics of the first case with the only difference that it concerned only price fixing.

Renuka Jain Gupta from Competition Commission of India noted that in the study, the prices analysis should have considered the rate of inflation.

The workshop continued with the presentations of the studies being undertaken in Latin America and Central Asia. The session began with the Honduran market study on the poultry industry, presented by Helmis Cardenas Villalobos from the Comision para la Defensa y Promocion de la Competencia (CDPC). The general objective of the study is to understand the industrial organization of the sector and identify any possible anti-competitive practices. The presentation presented up to date information on economic performance in Honduras and production of egg, poultry meat and broilers, consumption of eggs and poultry meat, market structure (number and size of poultry growers and eggs producers), and prices on the poultry market. Broiler production is found to be highly concentrated. Two actors hold 95% of the market share (50% + 45%). Moreover, from the end of 2007 and the beginning of 2008, poultry meat and egg Price Indices-2000-2010 had shown trend increases in prices. The presenter also talked about the problems the researchers had faced in collecting data especially on costs and prices. The CDPC is now meeting with actors in the market in let them know about the purpose and expected outcomes of the study.

Participants offered the following comments and considerations:

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\(^7\) In 2007 the Commission referred the Western Cape bread compliant to the tribunal and the Premier applied for leniency in the bread cartel.

\(^8\) Cake price

\(^9\) The increase in prices may have been due to increases in the cost of wheat as main input, as well as fuel and energy costs.
- supply-chain analysis can be combined with competition analysis; the study
  should also look upstream at production inputs\textsuperscript{10};
- according to the Price Indices presented for 2000-2010, poultry meat and eggs
  price trends do not seem to be correlated, which could mean that the two markets
  are not closely related\textsuperscript{11};
- It would be better if the study considered also the analysis of a substitute product
  market, such as red or some other kind of meat\textsuperscript{12}.

The next presentation was of the Colombian case by Santiago Matallana of the
\textit{Superintendencia de Industria y Comercio (SIC)}, \textit{“Oligopsonistic agricultural markets
in Colombia, the case of rice”}. The agricultural market in Colombia accounts for 8.5\% of
GDP and 20\% of the labor force. The market is characterized by the prevalence of small
scale production by low-income peasant families dispersed through the national territory
but also the existence of many better organized farmers, which are also present in the
retail market. Some prior experiences of SIC investigations and complaints of anti-
competitive practices were described from 1999 to the last one in July 2010. The latter
concerned seven complaints received by the SIC related to alleged “price agreements”,
“imposition of good quality rice”, “speculation”, and “hoarding”. The SIC had gathered
witnesses, and issued information and formal information requests in order to determine
if an investigation for violation of the rules of free competition should proceed. Some
potential anti-competitive behavior was found such as: the mills operated also in the input
market by selling inputs to farmers (thereby indirectly determining the supply of rice and
the price). Moreover there was some evidence of agreements between mills and white
rice distributors, according to which they do not have to transmit price decrease to
consumers, sharing the margin differential between them.

The Session ended with the presentation of the proposal submitted by \textit{Antimonopoly
Policy Improvement Center, Uzbekistan} \textit{“Improving competition, providing efficiency
and transparency in food supply chain for some major foodstuffs, rice, eggs, milk and
meat”}, by the two delegates of the Institution, Golib Kholjitov and Farrukh
Karabayev. The presentation consisted of two parts, a review of the objectives and scope
of the study and presentation of some research findings. In the first part, Golib
Kholjitov explained the motivations for the study and presented its objectives and
activities. The study will be the first ever in the region. It was provoked by substantial
increase of foodstuff prices such as rice (by 400\%), beef (120\%), and eggs (100\%) in the
period 2005-2009. The increase had been attributed to the inefficiency of food supply
chain, possible monopolistic supply of inputs, regulatory issues, state policy interventions

\textsuperscript{10} Liberty Mnecube, South Africa Competition Commission.
\textsuperscript{11} Phil Evans, UK CC panel member.
\textsuperscript{12} Ayman Shafie, Egyptian Competition Authority.
and environmental factors. Focusing on competition dynamics on food supply chain, Golib Kholjigitov stated that the study aims at identifying possible causes of price rigidity, suggesting ways to develop more competition and transparency, which would lead to an optimization of the food supply chain, and assisting Government to take policy decision on regulation of food market. He discussed some foreign experiences (EU, Netherland, Ireland, Australia), of food supply chain analysis and price stickiness and what the Uzbek competition institution had learnt so far from those experiences.

Farrukh Karabayev then described the preliminary findings of the study for the four specific markets, rice, meat, eggs and milk.

In the discussion, Elizabeth Farina pointed out that many different kinds of market studies could be done on the same market, each with different objectives, methodologies and focus. She urged the researchers to identify and conduct the type of market study most suitable for their purposes. Another participant suggested that the supply chain analysis should include issues such as the behavior of prices of fertilizers and its effects on food prices, as Zambia Competition Commission had done in its study.

The three presentations on food market studies were followed by a break-out session where each of the three research teams from Honduras, Colombia and Uzbekistan discussed the methodology of their study directly with a resource person. Afterwards, a representative of each team reported back to all participants the focal points and conclusions reached from the respective discussions, as below:

**Honduras**

The break out session was helpful for having a broader view on research and investigation methodologies. The following suggestions came out:

- consider in the study other entry barriers;
- consider import prices;
- be more focused on consumer preferences;
- build up a dialogue with the industries operating in the market;
- announce the start of the investigation through media such as newspapers and publish the results of the study in order to increase public awareness and credibility on competition issues.

**Colombia**

Focal points of the discussion:

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13 She identified three kind of market study: market study as background for the analysis and for a better understanding of market functioning and dynamics; market study as basis used by competition authorities in taking decision; market study used for the evaluation of public policy.
- the need to analyse the value chain in order to see where value is created along it;
- let consumers be the starting point of the study, trying to figure out how a cartel could effects consumers, which if overturned would give benefits for all of them (e.g. increasing the quality of rice);
- consider political economy issues, i.e. state actions and the potential effects of competition law, increased competition and changes in competitiveness;
- build up an information and data system in order to share price information and make the system more transparent;
- sub-divide the market: analyse smaller markets within each of which collective dominance may be a factor.

Uzbekistan

Focal points of the discussion:
- data collection methodologies: in case of lack of statistical and numerical data, start from quality data gathered through interviews and then try to build up statistics and numerical information. For this purpose Susan Joekes suggested use of an open ended questionnaire, letting the interlocutor talk and enlarge the scope of information collected;
- pay more attention to efficiency issues behind competition.
- pay more attention to geographical considerations: see what happens in the market at local level, and then scale-up to national-level;
- in conducting the interviews, distribute the research team across the identified small areas in order to get information and data from each one.

Day three: Thursday, 15th September

Discussion and presentation on the third day covered two main issues: first, continuation of the subject already discussed the first day i.e. competition research into Regulated sectors and policy domains out the jurisdiction of competition authorities, focusing this time on the telecommunication sector; and secondly, The approach to evaluation of competition interventions. Each session was followed by the presentation of the respective research studies.

The session on Regulated sectors and policy domains outside the jurisdiction of competition authorities was led by James Hodge and Izak Atiyas. James Hodge’s presentation focused on the analysis of fixed line communications and the move later to mobile communications, given that fixed line services are the underlining communication infrastructure supporting mobile lines. Therefore, competition issues in mobile are often derived from competition issues in the fixed line systems. He described the evolution of the fixed line structure in South Africa and how competition issues had changed from
time to time with the evolution of the industry. Using empirical evidence from South Africa, he showed how the competition problem at the stage of establishment of a network (collusive practices to prevent price/service war), changed in the face of threat of new entry approved by the regulator (collusion to prevent the new entrant(s) from gaining market share). Furthermore he pointed out how analysis of the mobiles market could be complicated by the extent of and opportunities for arbitrage over interconnections (i.e. moving off-net calls to on-net calls), and by the difficulty in identifying like-for-like prices. Finally, he explained that as the market develops further, two contrasting trends can become apparent: mobile operators integrate backwards into the fixed line core network while at the same time fixed line operators forward integrate into mobiles. In such a scenario, where there is a consolidation of players, competition authorities should begin to look at mergers (ownership) rather than at bundling of service offers.

After this, Izak Atiyas discussed political economy aspects of competition in the mobiles market in Turkey. He illustrated his remarks with evidence from a case concerning an intervention by the regulatory authority which authorized the entrance of a new operator in the market after a long period in which there had only been one operator (Turkcell) since the launch of the mobile industry. In this case, the regulatory authority played a crucial role in enhancing competition in the sector. Thanks to this intervention, Turkey now has some of the world’s lowest mobile termination rates, number portability has been implemented, and Turkcell has started to apply uniform pricing while previously it used discriminatory call packages.

Gantuya Boddorj from the Authority for Fair Competition and Consumer Protection (ACCP) of Mongolia, presented the research study “Competition problems in telecoms in Mongolia”. First of all she briefly gave some information about the history of competition law in Mongolia, including the recent promulgation of the new competition law in June 2010. Then she discussed some competition issues in the country, and specifically the difficulties experienced by the competition authority in trying to detect cartels. The problems include staff’s unfamiliarity with methodology, and their limited experience in the field, limited experience in conducting market analysis, and lack of coordination between the regulatory agencies and the competition authority. The intended study on telecoms sector had as its objective: conducting a market study on mobile operators, devising cartel detection methodologies, detecting cartel in the sector, reviewing the effectiveness of current cartel regulation provisions, building up the capacity of the authority in detecting cartels and strengthening competition advocacy. She discussed the methodology of the study, and the different outcomes and expectations. The resource persons and other participants raised several points. First of all, Izak Atiyas pointed out that the priority for the competition authority should be to focus on a market study, using law and economic analysis, without considering an investigation on cartel as
the first step or even necessarily as the outcome. He suggested that a young authority such as ACCP should avoid econometric analysis and focus on using logical analysis and economic data in order to better understand the functioning of the market. He suggested first understanding how the market works and evolves (and its history), then try to understand the actors’ behaviors and their strategies and only after that move to competition analysis. 

James Hodge suggested the need to look at other possible anti-competitive behaviors in the market, without necessarily focusing just on cartels. In this regard, Phil Evans pointed out that a market share analysis (conducted in the study) could suggest other kinds of anti-competitive practices that might be in use besides cartels.

As the final presentation of the market studies currently being supported under the CRED project, Marcia Pardo from Fiscalía Nacional Económica, Gobierno de Chile presented the study “Impact Assessment of the Chilean Competition System’s interventions in the supermarket industry”. Her presentation included background on the Chilean competition regime, the different approaches that the competition authority has to market studies, the reasons for the present study and an explanation of its scope, objective and methodology. The focus in the study was on merger review rulings made by the Authority rather than the results of any interventions to remove anti-competitive practices (which have not been implemented in this market). Referring to the methodology, she described the difficulties that the authority is experiencing in finding data for a post evaluation analysis, in light of the fact that the Chilean competition authority does not have the legal power to ask for the data and information which is crucial for the impact analysis. 

Phil Evans suggested that, given the lack of data, it would be better to move to examine the “behavioural rules” and see what has been changed in the behaviour of suppliers and on the consumer side. Elizabeth Farina suggested expanding the analysis along the chain, downstream as well as upstream from the supermarkets themselves. Indeed, it would be better to see what happened to consumers prices and to consumer welfare as well as to deepen the supplier analysis, given the number of suppliers, who and how many disappeared and/or grew.

After a brief wrap-up session and roundtable on lessons learned, Susan Joekes spoke of the future of the IDRC CRED project beyond its current end date of June 2011. She announced IDRC plans to start a “new era of competition research”, moving from supporting research and building research and institutional capacities within authorities, on a one by one basis, worldwide, to a regional approach. She described the new Africa Competition Forum, the most developed regional initiative. This is a project presently in its scoping phase, jointly funded with DFID, whose objective is to improve competition regimes in Africa, both inside competition authorities and within the research, policy and civil society community at large. The Africa Competition Forum will provide a space in
which African competition policymakers (including Ministers and senior government officials) can regularly share evidence-based lessons and increase their own awareness of the benefits of competition and competitiveness\textsuperscript{14}. It may not be possible or appropriate to replicate the African approach in other regions, e.g. Central Asia and Latin America. She invited participants from those two regions to share their thoughts about their respective needs and possibilities. Golib Kholjigitov spoke for Central Asian countries, spelling out the different needs such as:

- supporting sectoral studies and competition analysis;
- supporting quality economic analysis;
- developing collaborations with the regulatory authorities;
- studying the ”shadow economy” and considering how to introduce it into competition analysis;
- the link between consumer protection policy and the competition authority.

Referring to Latin America, Elizabeth Farina made the following points:

- the presence in the region of very substantial human capital capacities, but the failure so far to bring it adequately into work on competition policy;
- the need to give more space to research on competition issues within the competition authorities, allocating more resource on research activities;
- involving universities, economic and business schools, by pushing them to focus more on competition matters.

In addition to that, Efrain Corea Yanez from Honduras talked about the value of collaborations between the Honduran competition agency and its counterparts in other countries for analysing specific cases on competition defence. Several other interventions were made along the same lines, indicating a strong sense among participants that inter-agency research collaborations were valuable to them and consistent with IDRC’s interest in developing regional projects.

3. Participants’ evaluation of the workshop

Generally speaking, the workshop was fruitful for all participants, including resource persons, delegates of the competition authorities and research institutions coming from the different countries.

The resource persons were impressed by the quality and the standard of proposals presented and appreciated the opportunity to learn from a range of often little known developing countries what competition problems exist and how authorities are facing

\textsuperscript{14} DFID, Africa Competition Forum. Vision Statement
them. It was a rich “cross-fertilization” experience through which participants came to know more about new sectors, and shared experiences, opinions and suggestions for forward steps.

Participants declared that workshop was the first of its kind which any of them had attended (or knew of). In addition to the considerable value of learning more, acquiring new competences and methodology, they were enthusiastic to continue networking with the resource persons and with each other.

After the end of the workshop, IDRC received many e-mails of thanks and appreciation from the resource persons, participants and even from interested persons who had read of the event on the IDRC website. These messages affirmed the value of the workshop and the wish for training events such as this to continue, and for support to continue for research and capacity building of competition authorities in developing countries.

Participants were invited to fill in a Workshop Evaluation Form. The results are presented below.

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**Overall Workshop Assessment**

- How you plan to apply what you have learned in your own organization
- How you plan to apply what you have learned in your own research project
- In-depth understanding of the topic discussed
- Enhancing your capacity to research methodologies
- Enhancing your understanding of how to define a research problem
- Sharing and exchanging ideas and experiences with the other member teams and resource persons
- Was participation in the workshop worth your time and efforts?

Were the objectives of the meeting met in terms of:

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- No opinion

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### Logistic

- Pre-workshop logistics
- Accommodation
- Meeting venues
- Material provided
- Networking opportunities
- Social events

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### Assessment of Sessions

**For each session was the topic relevant to your work?**

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Assessment of Sessions

For each session, were resource persons’ remarks useful and well delivered?

For each session, was time for presentations and discussions balanced?
The graphs show a general positive evaluation from participants. In their comments, they pointing out the benefits received both by sharing experiences among competition authorities and research teams, and by getting new methodology tools and practical suggestions received. Among the comments some of the participants wrote: “the workshop acted as an excellent platform for exchange of knowledge with participants from different stages of development” or else “informal approach during social event helped the discussion with resource persons on key topics (...)

Although the general evaluations were quite positive, some of participants pointed out that there was not enough time allocated to discussion, especially due to too long presentation of single studies. Indeed, some participants commented as follow “I would have liked more time for formal discussion”, “program/schedule too tight” or “(...) time management and interventions were not well organized. Participants who raised the hands did not have the chance to speak up”. In addition, some participant wrote down “the workshop would have been more useful to me if it was more focused on conducting research, research methodologies”. From the organization point of view, there was some complaint about lack of microphones.

Among the recommendations for improvement, participants expressed their interest in continuing this kind of activity. Particularly, some of participants wrote the following comment “IDRC has done a commendable job in so far as sponsoring this project is concerned. IDRC may consider sponsoring research projects for masters students in different competition authorities” furthermore “we may request IDRC to continue with more of such events as they are a quick way to learn more.”