



## CONCEPT NOTE

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### Workshop on “Competition vs. Regulation and the Appropriate Organizational Structure of a Competition Agency”

*06-07 April 2021*

*12:00-3:00 PM Istanbul Local Time (GMT+3)*

#### **Background**

Competition Authorities assume the role of regulator in preventing cartelization and monopolization and in protecting the rights of the consumers by monitoring, regulating and supervising the markets to establish a well-functioning competition culture. In this regard, SESRIC developed the Competition Authorities Capacity Building Programme (CA-CaB) in 2012 with a view to enhancing the capacities of human resources of the Competition Authorities operating in the OIC Member States.

In collaboration with the Turkish Competition Authority and within the framework of SESRIC’s Competition Authorities Capacity Building Programme, this Workshop aims at exploring competition law and policy and highlighting the importance of efficient competition systems in the OIC Member States.

#### **Rationale**

In the last century, countries which utilised the underlying principles of a free market system controlled by competition rules have experienced a great increase in their GDP. The growth in their wealth was accompanied by an increase in the quality of life and also an increase in consumers’ choices in these countries. However, these results were only seen in countries with an effective control of the free market system by competition rules. This is because free market economies do not deliver their expected results without the rules for free and fair competition as competition rules prevent cartelization and monopolization. Therefore, today, we cannot think of a prospering economy without an effectively applied competition law.

As it is known, competition rules do not only improve the output of a market economy but also enable domestic firms to compete with firms located in other countries in international markets. Companies have better chances for success when they compete with their rivals and it is rare to see a successful international firm operating in an uncompetitive domestic market.

Competition also improves consumers’ lives by providing more choices and better products and services for affordable prices. Without a competitive market, firms do not have the motive to



innovate, improve the quality of their products and reduce their prices. Therefore, competition empowers consumers and enables them to choose from a wide variety of products or services.

However, in some markets/ industries, competition may fail to provide economically optimal results. In this case, policy makers often opt to introduce regulation. In literature, it is generally stated that a decision to regulate an industry/ market can be justified if there is a market failure (the need for a public good, high entry barrier, presence of externalities etc.), a need to advance the public/ special interest (health and safety concerns, environmental threats, labour codes etc.) or to assist in the transition to a competitive market. However, it is also stated in the literature that policy makers should choose to regulate an industry after a thorough research and cost/ benefit analysis.

As stated above, rules for competition are necessary to improve the competitiveness of firms and improve the welfare of the consumers. However, effective implementation of these rules are just as important. A free market economy cannot achieve its desired results without an effective implementation of competition rules, as firms will abuse this system by forming cartels, abusing their dominant position or becoming monopolies. Therefore, every country should place a well-functioning competition authority to prevent the negative outcomes of the free market system.

Against this backdrop, each competition agency should be organised according to its assigned responsibilities and duties in order to ensure an efficient organisational structure that will help to execute its expected role. In this connection, a competition agency tasked only with the protection of competition should not be organized similar to an agency enforcing competition and consumer protection or competition and unfair competition. Each task requires different organizational structures, management styles and decision making process. Therefore, the organizational structure of an effective and well-functioning competition agency, which is fundamental to the functioning of the free market system, should be engineered in accordance with its identified tasks to ensure optimum performance.

## **Objectives**

The general objectives of the Workshop are to better understand:

- Benefits of competition for the economy with regards to firms as well as consumers,
- Ways and means of implementing competition rules in order to achieve full benefits of a free market system,
- Requirements and conditions that lead to the regulation of a market/ industry,
- The right balance between competition rules and regulation,
- Effective ways and mechanisms to organize a Competition Agency.

## **Methodology**

The Workshop will be conducted virtually over two days; sessions will be carried out following a specific theme each day in the format of keynote speech and country experiences followed by



open-discussions. The Workshop will be based on knowledge sharing, exchange of best practices, and virtual roundtable discussions on the following themes:

- Regulation vs Competition
- Effect of Competition on Economic Units
- Effective Ways to Design a Competition Agency

## Participants

The Workshop targets representatives of competition authorities/ decision-makers and relevant national and international stakeholders in charge of competition systems.

## Time and Delivery Mode

The Workshop will be held virtually on 06-07 April 2021 at 12:00-3:00 PM Istanbul Local Time (GMT+3) through a video conferencing platform. Sessions will be carried out in an interactive manner.

## Language

The Workshop will proceed in English. Simultaneous translations into Arabic and French will be provided.

## Programme

Day 1: Tuesday, 06 April 2021	
12:00 – 12:15	<b>Opening Session</b> <b>Opening Speech by:</b> <ul style="list-style-type: none"><li>- H.E. Mr. Nebil DABUR, Director General, SESRIC</li><li>- H.E. Mr. Ahmet ALGAN, Board Member, Turkish Competition Authority</li></ul>
12:15 – 12:30	<b>Why Compete, When You Can Cooperate? The Effect of Competition on Economic Units</b> Keynote Speech by: Ms. Ayşe ERGEZEN, Board Member, Turkish Competition Authority
12.30 – 13.15	<b>Country Experiences</b> <ul style="list-style-type: none"><li>- <b>Competition Commission of Pakistan</b>, Mr. Ahmed QADIR, Director General</li></ul>
13:15 – 13:30	<b>Open Discussion</b>

13:30 – 13:40	<b>Break</b>
13:40 – 13:55	<b>Competition vs. Regulation: What is the right balance?</b> Keynote Speech by: Ms. Fathia. HAMMED, Vice President of Competition Council of Tunisia
13:55 – 14:40	<b>Country Experiences</b> <ul style="list-style-type: none"> <li>- <b>Turkish Competition Authority</b>, Mr. Şamil PİŞMAF, Acting Deputy Head of Economic Analysis and Research Department</li> <li>- <b>National Commission of Competition and Consumption in Burkina Faso</b>, Mr. Daouda OUEDRAOGO, Permanent Secretary</li> </ul>
14:40 – 15:00	<b>Open Discussion</b>
<b>Day 2: Wednesday, 07 April 2021</b>	
12:00 – 12:15	<b>Organizing a Competition Authority: Is there an Optimal Way?</b> Keynote Speech by: Mr. Iskandar bin ISMAIL, CEO of Malaysia Competition Commission
12:15 – 13:00	<b>Country Experiences (For Authorities with only Competition Mandate)</b> <ul style="list-style-type: none"> <li>- <b>Turkish Competition Authority</b>, Ms. Nese Nur ONUKLU, Acting Deputy Head of Supervision and Enforcement Department III</li> <li>- <b>Commission for the Supervision of Business Competition in Indonesia</b>, Mr. Baried EFFENDI, Senior Advisor</li> <li>- <b>National Competition Committee of Cameroon</b>, Mr. Felix FOTSO, Vice President</li> </ul>
13:00 – 13:15	<b>Open Discussion</b>
13:15 – 13:25	<b>Break</b>
13:25 – 14:10	<b>Country Experiences (For Authorities with Competition and Consumer Mandate)</b> <ul style="list-style-type: none"> <li>- <b>Competition and Consumer Protection Commission in Gambia</b>, Mr. Amadou CEESAY, Executive Secretary</li> </ul>
14:10 – 14:30	<b>Open Discussion</b>
14:30 - 14:45	<b>Overall Evaluation and The Way Forward</b>
14:45 - 15:00	<b>Closing Remarks</b>