

E.CA Competition Law and Economics Expert Forum Berlin, 1 October 2018

E.CA Competition Law & Economics Expert Forum 1 October 2018 in Berlin, organised together with ESMT Berlin

The annual E.CA Expert Forum offers insights into recent developments in competition law and economics from both German and European perspectives. The sessions are aimed at practitioners, enforcers and academics from the legal and economic fields. This year, the Expert Forum will be focusing on two themes, **Digital Markets** and **Merger Control**.

Programme

08.30 – 09.00 **Registration and Coffee**

09.00 – 09.10 **Welcoming Remarks**

Jörg ROCHOLL, *President and EY Chair in Governance and Compliance, ESMT Berlin*

09.10 – 10.00 **Recent Developments in German Competition Law & Economics**

Speaker: Andreas MUNDT, *President, Bundeskartellamt*

Q&A Session

10.00 – 11.15 **Panel 1: Digital Markets – Key Issues**

In a recent report for the German economic ministry, several policy options are developed to strengthen competition law enforcement for digital platforms. The recommendations include a platform-specific notion of market power. They consider multi-homing suppressing conduct as abuse. Furthermore, conglomerate strategies to takeover small firms with a potential to become competitors in the future are seen as problematic; access to unique datasets should be made easier. This panel will discuss those proposals and, more generally, provide an overview of economic competition policy issues that are driven by the digitalisation of the industry.

Chair: Hans W. FRIEDERISZICK, *Director, E.CA Economics and Research Fellow, ESMT Berlin*

Panellists:

Özlem BEDRE-DEFOLIE, *Associate Professor of Economics, ESMT Berlin*

Andreas MUNDT, *President, Bundeskartellamt*

Keith WAEHRER, *Partner, Bates White*

Mike WALKER, *Chief Economist, Competition and Markets Authority*

Q&A Session

11.15 – 11.45 **Coffee Break**

11.45 – 13.15 Parallel Session 1: Brand Reputation, Cooperation and Intra-Platform Competition (Audit I)

E-commerce platforms often present products by retailers and brands alongside the platform's own-label products. To improve the range of products on offer, platforms design access rules and may allow exchange of information between the different features of a given platform. What are the benefits and competition concerns associated with these activities? Will the Coty decision lead to a better selection of products or higher prices (or both)? What are the implications of the new abuse rules considered in Germany?

Chair: Özlem BEDRE-DEFOLIE, *Associate Professor of Economics, ESMT Berlin*

Presenter: Rainer NITSCHKE, *Director, E.CA Economics and Research Fellow, ESMT Berlin*

Comments: Monika SCHNITZER, *Professor, LMU München*

Parallel Session 2: Mergers – Are Markets too Concentrated? (Audit II)

Are markets too concentrated? If so, has merger control been too lenient? After a long-lasting wave of mergers, increasing cross-ownership between firms and consolidation in platform markets: is excessive market concentration harming consumers? This session focuses on the latest insights into market concentration and profit margin developments and discusses the underlying causes and the implications.

Chair: Vincent VEROUDEN, *Director, E.CA Economics*

Presenter: Jan DE LOECKER, *Professor of Economics, KU Leuven, NBER and CEPR*

Comments: Achim WAMBACH, *Head of the German Monopolies Commission and President of the Zentrum für Europäische Wirtschaftsforschung (ZEW)*

Parallel Session 3: Digital Pricing and Algorithms (Audimax)

Digital pricing allows the increasing use of algorithms and immediate information about rivals' pricing. What are the implications for markets?

Chair: Hans W. FRIEDERISZICK, *Director, E.CA Economics and Research Fellow, ESMT Berlin*

Presenter: Mike WALKER, *Chief Economist, Competition and Markets Authority*

Comments: Markus REISINGER, *Professor for Industrial Organization and Microeconomics at the Frankfurt School of Finance & Management*

13.15 – 14.15 Lunch

14.15 – 15.00 Economic Analysis in Recent European Competition Cases

Speaker: Tommaso VALLETTI, *Chief Economist, DG Competition and Professor of Economics at Imperial College Business School and the University of Rome*

Q&A Session

15.00 – 15.30 Coffee Break

15.30 – 16.45 Parallel Session 1: Mergers in Geographically Differentiated Markets (Aufit II)

The German Federal Cartel Office has developed a new method for defining geographic markets that focuses on regions where the merging parties' customers overlap. The method relies on retrieving a complete inventory of disaggregated deliveries or customer journeys with high geographic resolution. What are the pros and cons of this method?

Chair: Simone KOHNZ *Director, E.CA Economics*

Presenter: Arno RASEK, *Chief Economist, Bundeskartellamt*

Comments: Daniel STREITZ, *Assistant Professor, Copenhagen Business School*

Parallel Session 2: Data-Driven Services, Online Advertisement and Privacy (Audimax)

The German Federal Cartel office has accused Facebook of abusing its market position based on the ways it collects and uses personal data. Several competition authorities have conducted or initiated sector inquiries into online advertisement markets. These developments raise several interesting questions: is data a parameter of competition? What role does Big Data play in the range of services on offer in online advertisement markets? Is this an issue of competition or of data protection?

Chair: Rainer NITSCHKE, *Director, E.CA Economics and Research Fellow, ESMT Berlin*

Presenter: Keith WAEHRER, *Partner, Bates White*

Comments: Dorothea KÜBLER, *Director, Department of Market Behaviour, WZB and Professor of Economics, Technical University of Berlin*

Parallel Session 3: Innovation in Merger Analysis (Audit I)

In Dow/DuPont, the EC not only assessed the impact on pipeline crop protection products but also developed an innovation theory of harm on reduced structural incentives to invest in innovation. Is this a novel theory of harm? Is it substantiated by the economic literature? How can merging parties' pre- and post-merger innovation positions be assessed in practical terms? How can patent statistics be used to evaluate positions in innovation?

Chair: Theon VAN DIJK, *Director, E.CA Economics*

Presenter: Dietmar HARHOFF, *Director, MPI Innovation & Competition*

Comments: Giulio FEDERICO, *Head of Unit, DG COMP/CET, European Commission*

16.45 – 17.00 Short Coffee Break

17.00 – 18.15 Panel 2: Mergers – Recent Progress in Merger Analysis and Market Definition

This panel will explore recent progress in merger analysis and market definition, synthesising the discussions on merger control and market concentration and highlighting recently developed methods for economic analysis in merger control proceedings.

Chair: Rainer NITSCHKE, *Director, E.CA Economics and Research Fellow, ESMT Berlin*

Panellists:

Dietmar HARHOFF, *Director, MPI Innovation & Competition*

Giulio FEDERICO, *Head of Unit, DG COMP/CET, European Commission*

Arno RASEK, *Chief Economist, Bundeskartellamt*

Achim WAMBACH, *Head of the German Monopolies Commission and President of the Zentrum für Europäische Wirtschaftsforschung (ZEW), Professor of Economics*

Q&A Session

18.15 – 20.00 Closing Remarks and Champagne Reception