

# 2nd Winter School

## Role of Economics in Competition Law

3<sup>rd</sup> – 7<sup>th</sup> November, 2014, New Delhi, India



## CUTS Institute for Regulation & Competition

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**RBB** | Economics

## Background

Competition Policy and Sectoral Regulations have undergone dramatic changes in the past two decades. This has been accompanied by an intellectually vibrant economic literature. Economists have developed new theories to characterise firm behaviour and to assess which market contexts warrant government intervention.

Before we could apply the sections of Competition Act, it is necessary to define relevant market, identify and measure the market power, identify and assess the barriers to entry, study pricing patterns and analyse competitive effects, quantifying economic harm or damages and assess efficiencies. All of these are economics principles. We can say, Competition Law is an Economics Law and therefore sound understanding of competition economics is essential for competition law practitioners.

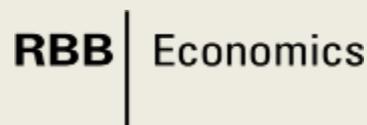
Keeping in view the above scenario, CUTS Institute for Regulation & Competition (CIRC) organised a Winter School on 'Role of Economics in Competition Law'. The aim of the Winter School was to familiarise participants with the new economic literature and with recent legal developments to establish a clear link between the new theories and the day to day work of practitioners. It enables participants to face and answer difficult questions about the practical matters they come across in their work in an economically and legally informed manner.

## Structure and Pedagogy

The structure of the knowledge sessions of the five day Winter School was meticulously devised to cover the basic and applied economic aspects related to competition law. Detailed agenda with information on sessions is provided in Annexure I. Participants were provided with a training kit consisting of useful material including printed material, some case studies and reports shared by CIRC. Further, participants were provided with a reference list of related books and journal articles by each faculty. Provision was also made for facilitating participants' regular feedback on the conduct of the sessions. Presentations, graphical representations, discussions, and information exchange happened during the sessions with examples from decided and hypothetical case studies. Faculty for the Winter School included the following international experts on the subject:

- a. Dr Adrian Majumdar, Partner, RBB Economics
- b. Dr Chris Walters, Director of Economics, Competition and Markets Authority, UK
- c. John Ramirez, Managing Director, EconOne Research Inc.
- d. Dr Aditya Bhattacharjea, Professor, Delhi School of Economics, Delhi University, Delhi

Mrs Arvinder Kaur, Assistant Director, CIRC was the school coordinator. Mr Saket Sharma, Associate Fellow, CIRC designed the agenda and the interactive sessions for the conduct of the Winter School. The participants were a focussed group consisting of legal practitioners, representatives from law firms, representatives from competition authorities, students and non-governmental organisations.



## DAY 1: November 03, 2014

### Inaugural Session

In the inaugural session, the Chairman, Managing Committee CIRC Mr Pradeep Mehta welcomed all the participants and the international speakers Dr Adrian Majumdar and Dr Chris Walters to the second Winter School on Role of Economics in Competition Law. He also appreciated the efforts of CIRC to organise such training and capacity building events on competition law. Mr Mehta also enlightened the participants with a brief introduction about benefits of competition law to consumers, business and economy; he also professed that there is a need for Competition Policy also to unleash the entrepreneurial energy and to create the synergy for growth in India.

Apart from this, we were fortunate to have Mr Sanjeev Ahluwalia (Former IAS), Advisor, ORF & Member Governing Council, CIRC amongst us. Mr Ahluwalia emphasised on the need for clear understanding about the concepts of economics for young lawyers; who have to play a formative role in the field of competition law in time to come. He stressed on the interaction between Economics and Competition law, where he pointed that a sound interpretation and implementation of competition law requires pivotal role of economics, as well as identification, detection etc. also requires application of sound economics.

At last, by quoting remarked Justice Brandeis, “A lawyer who has not studied economics is very apt to become a public enemy”, Mr Mehta once again welcomed all the participants and suggested them to have a great interactive learning and knowledge sharing sessions over the coming five days.

### Session 1: Introduction to Basic Concepts of Economics and

### Session 2: Introduction to Market Structure (By: Prof. (Dr.) Radha Seshan, Professor (Economics), National Law University, Delhi)

First two session of the day were taken by Prof (Dr) Radha Seshan, the speaker began the session by emphasising on benefits of Competition Law to three different strands – Consumers, Producers and the Economy. She professed that competition in the market benefits all the participants, enables maximisation of consumer surplus to the consumers, profit maximisation to the producer/seller and revenue to the state leading to the overall growth and stability of the economy. In addition to this, she also enlightened the participants about the basic concepts of economics- Demand and Supply, market equilibrium, concept of elasticities, and concept of welfare. In the later part of her session, the speaker dwell into the application of these economics concepts in anti-trust analysis- demand side substitutability and supply side substitutability. She explained that, both demand-side and supply-side forces may constrain the price that a firm can profitably sustain. On the demand side, the constraint comes from the degree to which consumers would reduce their purchases of the product or products at issue in response to a price increase. On the supply side, the constraint comes from the degree to which other firms would initiate or increase production or distribution of the product(s) in response to a price increase. In addition to this, the speaker also threw some light on different forms of market- Perfect competition, Monopoly, Oligopoly and discussed about the concept of market power, dominance, and tests to measure market dominance and various other useful concepts to draw the linkage between Economics and Competition Law.



To end the session, the speaker discussed about the concept of Collusion or Cartels, emphasising that Cartel is a non-competitive agreement between rivals which attempts to disrupt the market's equilibrium. By collaborating with each other, rival firms look to alter the price of a good to their advantage. The parties may collectively choose to restrict the supply of a good, and/or agree to increase its price in order to maximize profits. While concluding, Prof Seshan emphasised on the appropriate use of economic concepts and techniques while assessing different cases under CA 2002, so that right, appropriate and timely judgements can be passed.

### **Session 3: Regulating Markets through Competition Law and Policy and**

### **Session 4: Introduction to Oligopoly and Game Theory (By: Prof. (Dr.) Aditya Bhattacharjea, Professor & Head, Delhi School of Economics, University of Delhi)**

Last two sessions of the day, were taken by Prof (Dr) Aditya Bhattacharjea, he began his session by emphasising on the need to have competition in market, as competition leads to achievement of allocative efficiency, technical (X) efficiency and dynamic efficiency. Further, he also discussed on difference between Competition (Antitrust) Law and Regulation, Consumer Protection Law and Competition Law; he also emphasised that these laws are sometimes dealt with under the same law and by the same agencies as antitrust, but should be kept conceptually distinct. Prof Bhattacharjea also enriched participant's knowledge base on Horizontal and Vertical Mergers and different schools of Anti-trust-: Harvard and Chicago and differences in approaches followed by them.

In later half of his session, the speaker dealt with the concept of Game theory and economics. Initiating with simple definition of Game Theory- that it is a study of how people behave in strategic situations (situations in which each person while deciding his actions must consider how others must respond to that action), the speaker dwelled into different forms of strategic games such as: Prisoners Dilemma, Matching Pennies, Boeing-Airbus game and others; difference between dominated and dominant strategies. Further on, Prof. also discussed about application of these techniques to find out Nash equilibrium in case of anti-competitive activities such as-Cartels and also discussed about why parties cheat under cartel- as if what are benefits of cheating etc. Finally, he ended his session by discussing about extensive tree form game and its implication and application for anti-competitive activities.

## **DAY 2: November 04, 2014**

### **Session 5: Introduction to Competition Policy (By: Dr. Chris Walters, Competition and Markets Authority, UK)**

Dr Walters initiated his session by giving a brief introduction about Competition Policy and its aims. He stated that competition drive productivity and encourages growth, and for competition to flourish; market must be open i.e. both consumers and producers must be informed about buying decisions as to produce virtuous circle in the market. Moving ahead, the speaker discussed about Market definition, Hypothetical monopolist test (HMT), wherein he discussed about demand side substitutability (reaction of consumers to



attempts to sustain prices above competitive levels) and supply side substitutability (reaction of other firms to attempts to sustain prices above competitive levels) and its application to define product market and geographic market. In later half of his session, Dr Walters dealt with certain applications of what was discussed in the first half; where he discussed about the Cellophane fallacy and various subtleties of SSS such as two-sided market, after market issues etc. In addition this, the speaker also debated on the various empirical test- critical loss, price correlation analysis, shock analysis and others; wherein he discussed about different cases from US market economy to have greater idea about practical application.

Further, the last sub-session dealt with market power and dominance. The speaker discussed about the concept of market power, competitive constraints that prevent an undertaking from profitably sustaining prices above competitive levels- existing competition, potential competition, buyer power are some of factors to list among others. Adding on to this, discussion were made on differentiated products, entry decision by an incumbent firm, factor affecting the entry decision, barriers to expansion, factors enhancing buyer power etc.

To conclude the session, Dr Walters professed that from an economic perspective, we should not get obsessed with defining the market- it is the step toward identifying market power. It is also important for economists to recognise the legal framework for this. Adding to this, he also made a point that market power is a matter of degree and market share often do not adequately capture market power. Therefore, there is a need to consider full range of competitive constraints.

### **Session 6: Economics of Exclusionary Behaviour (Part I) (By: Dr. Adrian Majumdar, RBB Economics)**

This session by Dr Majumdar was related to predatory pricing, its effects and exclusionary discounts. To begin the session, the speaker started with what predation is all about and differentiated between traditional and modern theories of predation, and what are the loopholes in traditional theories which gave way to development of modern theories. Further, he also discussed upon the cost benchmarking (discussion about Variable costs, avoidable costs, incremental costs etc.), simple price cost test, profit sacrifice test and examples to support their application.

In later half of his session, Dr Majumdar dealt with Form-based analysis and Effects-based analysis, where he discussed about set of core economic principles that form effects-based analysis; role of economics in form-based regime for abuse and also discussed various EU cases to give a greater idea about the concept. The last section of the session dealt with assessment of foreclosure, conditional rebates etc.

### **Session 7: Horizontal Agreements and Current Issues (By: Dr. Chris Walters, Competition and Markets Authority, UK)**

In first half of the session, Dr Walters discussed about basic economics of Cartels, emphasising that cartel solution is not a Nash Equilibrium as producers' have a short run incentive to "cheat". He also threw some light on as to what does economics offer in investigation of a cartel as to cartels cases rely on whistle-blowers and smoking guns; however, economics can suggest some factors that may be necessary but not sufficient conditions for a cartel. Factors such as minimum number of firms that can form a cartel, role of



market in a cartel, restrictions on entry, barriers to expansion, availability of substitutes, homogeneity of products and other economic factors play a decisive role in determining whether a cartel can lead to successful rise in prices or not. Drawing from various cartel overcharge evidences, he concluded the first half of session by emphasising that economics offers little on the liability side of cartel cases but offers a great deal on effect.

Second of the session was related to reverse payments (Payments for delays). During this session, the speaker tries to enhance knowledge of the participants mainly on three questions: (i) When does settlement agreement restricts competition? (ii) Does presence of a “reverse payment” indicate that settlement is anti-competitive? (iii) Can size of payment tell us something about the nature of the agreement? By answering all the above questions, the speaker conclude the session by marking that a settlement restricts competition when it leads to delay in entry in comparison to in case of litigation. Additionally, agreeing to long delays is risky strategy as any generic entry would slash the originator’s profit; reducing its ability to pay off generic suppliers who have agreed to postpone entry

### **Session 8: Economics of Exclusionary Behaviour (Part II) and Introduction to Economics of Vertical Agreements (By: Dr. Adrian Majumdar, RBB Economics)**

The first half of the session by Dr Majumdar was dedicated to two main topics: (i) Tying and Bundling (ii) Refusal of Supply and margin squeeze. In this, the speaker discussed upon the reasons as to why firms opt to bundle; stating price discrimination, efficiencies, technology, anti-competitive motives etc. as some of the reasons for bundling among others. He emphasised that bundling may be beneficial, benign or harmful, thus it should not always be presumed harmful even when employed by a dominant firm. Moving ahead, in the second half of the session focus was mainly towards the economics of vertical constraints, where difference between inter-brand and intra-brand competition was drawn out and with help of various examples analysis of vertical restraints in the absence of market power were done. In the end, it was concluded that RPM prevents the emergence of new, low price sales channels, but RPM may benefit consumers too (eg: free-rider problem). Thus, there should be no presumption of harm even when market power exists (eg-in case of tying and bundling), efficiencies must be taken into account.

## **Day 3: November 05, 2014**

### **Session 9: Introduction to Cartels and Coordination (By: Dr. Chris Walters, Competition and Markets Authority, UK)**

This session by Dr Walters, focused on coordinated effects and basic economics related to it. He initiated by making a point that economics of coordinated effects are less clear cut than those of unilateral effects. Firms operating under oligopoly know that their profitability depends on the responses of their competitors, thus as number of firms decreases; firms may decide to compete less strongly in expectation that other firms will reciprocate. Moving ahead, the speaker discussed about two cases of mergers- *Sony/BMG (2004-07)* and *Airtours/First Choice (1999-2002)* among others. Finally the session was concluded with a brief comparison of unilateral and coordinated effects, where he stated that unilateral effects do not require tactic collusion



between firms, whereas coordinated effects do. Additionally in both the cases firms raise prices but for different reasons and in unilateral effects, merged firm's price rise is profitable even if the other firms do not raise their prices, whereas under coordinated effects, the price rise by merged firm is profitable only if the other firm follows.

### **Session 10: The Economics of Unilateral Effects (I) (By: Dr. Adrian Majumdar, RBB Economics)**

Dr Majumdar in this session dealt primarily with non-coordinated (unilateral) effects and measuring its closeness to competition. Beginning with the concept of price differentiation on basis of geography, product characteristics, time, consumer information and other factors, the speaker engaged with the concept of merger, post-merger competitive constraints faced by merged firms. In addition the speaker, also dealt with overlap and Non-overlap area analysis, where he emphasised that there is a need to control for factors which might affect price such as: demand effects, existence of competitors etc. Moving ahead, the speaker dealt with the diversion ratio and its closeness to market shares, where he concluded that even if parties are close competitors, factors such as (i) existence of other competitors in market (ii) entry barriers to growth (iii) supply side and demand side etc. play important role in determining whether sufficient competitive constraints remain post-merger or not.

### **Session 11: The Economics of Unilateral Effects (II) (By: Dr. Chris Walters, Competition and Markets Authority, UK)**

In the first half of the session, Dr Walters dealt in detail with the concept of Price Pressure Tests. He began the session by making a point that Price pressure indicators (PPIs) are used in mergers to measure the closeness of competition and are based on models of differentiated price competition. The basic idea behind PPIs is to measure how far prices actually rise depends on how much of the cost shock is passed through to final prices, and is measure by multiplying margin with the diversion ratio. However, there are various issues related to PPIs- (i) Which PPI is most appropriate to use; (ii) How should we approach pass-through; (iii) Can we use PPIs for downstream mergers using upstream diversion ratio etc.

The speaker dedicated the second half of the session to merger simulation and efficiencies. Beginning with the basic concept of a merger simulation model- a model of competition in an industry that allows the effect on prices of increased concentration to be measured directly and is typically based on the economic oligopoly model of Bertrand differentiated products. Moving further, he discussed about various merger simulation cases such as *Lagardere/Natexis/VUP*, *Volvo/Scania* merger, *Oracle/Peoplesoft* etc to give idea about practical situations to participants. An important point during the discussion was carried out that, merger simulations can be very useful but along with two necessary conditions: (i) economic models must accurately reflect the fact of the market to be dealt and (ii) factors such as entry and expansion barrier, buyer power etc. which are omitted by simulation must be taken into account. The last part of the session was related to concept of efficiencies where framework for merger efficiencies followed in UK was discussed and a brief discussion on types of efficiencies was carried out.

### **Session 12: Further Topics in Merger Analysis (By: Dr. Adrian Majumdar, RBB Economics)**



To begin the session, the speaker gave the basic idea about the input foreclosure wherein by discussing a hypothetical example it was said that strength of efficiency gain plays an important role. In addition, EU *NHMGs vs CMA* case was discussed upon, where the analytical steps in input foreclosure, its incentive and effects were discussed upon. Apart from this, concept of complete and partial foreclosure, its effects on consumers-demand and supply side effects were discussed upon. During the discussion, it was stated that impact of impact of wholesale price on consumers is ambiguous, as if it falls welfare increases and if rises welfare is may still improve because the weighted average retail price may fall leading to improvement in efficiency.

In the second half of the session, Dr Majumdar discussed about the minority share holdings. To begin with, an introduction about EU/UK merger regulations was given and then the speaker dwelled into examples of Horizontal mergers such as: *BskyB/ITV (2007)* was discussed upon, in this merger UK authorities found that reduction in the quality of the offer and innovation or an increase in the price of audio-visual services in the all-TV market and the case was cleared subject to divestiture of the shareholding down to 7.5% leading to elimination of key veto rights of BskyB.

In the end the Toe-head theory and merger remedies were discussed and the session concluded by marking following key points: (i) No market power, no problem; (ii) where there is existence of market power factors such as ability, effect and incentive must be taken into account; (iii) structural remedies are most common and clean-cut.

#### Day 4: November 06, 2014

##### Session 13: Economics of Exploitative Practices (By Mr. John Ramirez, Director, Econ One)

First session of the fourth day started with the discussion on Exploitative Practices addressed by Mr. John Ramirez. He started with describing the general types of such practices namely: unfair pricing, unfair trade conditions, price discrimination and other exploitative practices. He elaborated the concept of excessive prices describing what actually refers to excessive pricing and the potential legal standards required for excessive prices. Taking into account the theories of Padilla and Evans, he elucidated the E.U. experience with the help of the United Brands Test and the implementation of the same.

Mr. Ramirez moved on to discussing the unfair trade conditions and the economic assessment of such unfair trade conditions taking examples from European case laws. The next issue that he raised was of Price Discrimination. He elaborated the types of Price discrimination and why do the firms price discriminate. He also talked about the necessary conditions of price discrimination and the three degrees of price discrimination. The session concluded with a discussion on other exploitative practices including tying, loss leading behaviours etc.

##### Session 14: Economics of Network Industries and Multi-sided Platform Markets (By Mr. John Ramirez, Director, Econ One)

The speaker began his session by introducing the impacts of network industries and online markets and then proceeded with detailed discussions on Network industries and their effects or externalities. Mr.



Ramirez then discussed what are multi-sided markets and the necessary conditions for such markets namely: distinct customer groups, indirect network and an intermediary. The multi-sided platform markets were classified into three categories by the speaker, namely market makers, audience makers and demand coordinators.

In the second half of the session, Mr. Ramirez discussed optimal price structure and the complexity of identifying optimal prices. He further introduced various other factors affecting the pricing structure. He moved on to elaborate the concepts of platform competition, market definition and combinations. Later he talked about prices and market power and the barriers to entry in markets. The session was concluded with an interactive discussion on exclusionary practices and horizontal coordination between firms in the market.

### **Session 15: Cartels: Damages, Detection, Optimal Penalties and Leniency (By Mr. John Ramirez, Director, Econ One)**

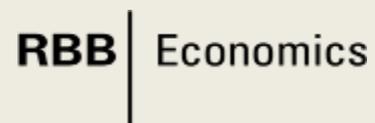
The session started with the introduction of Cartels by the speaker Mr. Ramirez. He discussed the damages such Cartels do to the consumers and the market per se and moved on to calculating the damages and assessing such damages by Cartels taking into consideration Before and After Approach, Yardstick approach and Cost plus approach with relevant examples. The Umbrella effect of a cartel was the next point of discussion in the session wherein the speaker elaborated that consumers may be harmed even on the purchases they make from suppliers that did not participate in the Cartel.

The next subject taken up for the discussion was cartel detection wherein the speaker discussed how are cartels detected and the evidence used in the detection of cartels by elaborating the direct and indirect evidence required for such detection. Mr. Ramirez further discussed indirect evidence with respect to three points: (a) the industry structure, speaking about some characteristics conducive to cartelization and which industry is more inductive to cartelization; (b) conduct, a number of factors are involved like prices, supply and market share which were discussed with examples by the speaker; (c) performance of the cartel and examining whether the cartel was successful.

The concluding part of the session was about Cartel Penalties that play an important role in the prevention of competition law violations. Mr. Ramirez discussed the Economic theory of fines that has two approaches, namely: compensation based approach and deterrence based approach. The session was wrapped up with interactive discussion between the participants and the speaker about the cartels and the damages and penalties associated.

### **Session 16: Simulation Exercise/ Case Study on Abuse of Dominance (By Manas Chaudhuri, Partner, Competition Law Practice, Khaitan & Co.)**

Mr. Chaudhuri engaged the participants of the discussion with a number of case studies and landmark judgments from various competition law regimes across the globe. He explained the concept of Abuse of Dominance having anti-competitive effect on competition in the market, in great details with relevant case laws by utilising his know-how. He illustrated as to how the firms in the market abuse their dominant



position thereby affecting the on-going competition in any particular market. The session was interactive and the speaker elaborated the practical aspects of the subject in an articulate manner.

### Day 5: November 07, 2014

#### Session 17: Simulation Exercise/ Case Study on Anti-Competitive Agreements (By Mr. John Ramirez, Director, Econ One)

First session of the last day of the winter school started with a discussion on Leniency programs that offer reduced penalties to cartel participants in exchange for cooperating with the enforcement authorities. The Speaker mentioned that there are two ways in which such programs can disrupt cartels: Deterrence, by making the cartel unprofitable or collusion unstable and Desistance, by providing incentives to cartelists to break the cartel agreement through confessions. Mr. Ramirez discussed the anti-collusive and pro-collusive effects of the leniency programs along with the impact of such leniency programs on the enforcement of Competition Law. The discussion concluded with an analysis of leniency programs in the U.S. and Europe accompanied with a couple of case studies.

In the second half of the session the speaker discussed a couple of case studies related to anti-competitive agreements and cartels. The first one was *European Paraffin Wax* cartel wherein the European Commission had found out that the European producers of paraffin wax operated a cartel from at least September 1992 through April 2005, and the other case dealt with current issues arising with airline in India owing to anti-competitive agreements and airlines cartelization.

#### Session 18: Panel Discussion

The panel comprised of Dr Geeta Gouri (Former Member, CCI), Mr. John Ramirez (Director, Econ One) and Mr. K.K. Sharma (Former DG, CCI). The basic points discussed were, use of Economics by Competition regime in India with respect to sections 3, 4, 5 and 6 of the Indian Competition Act; challenges for using more economics and options to overcome such challenges; and finally, ensuring that Indian economic conditions are taken care of that involves the role of DG, involvement of public, market enquiries and surveys etc.

Dr. Gouri started with a brief introduction of the panel and moved on to explaining the importance of economics for competition law stating that competition is not only about the number of competitors in the market but a variety of other factors affect the competition. She discussed that competitive markets should be for the welfare of consumers and more innovation and productive benefits should be the result of competition in the market. She further stated that the CCI has to work out the economics of market by conducting effect based analysis and by applying economic principles. She further explained that the profile of the middle class in India is changing which has become more aspirational and price conscious thereby affecting the economics of competition in India.





Mr. Sharma commented on the use of economics in India and connecting the same with ethics and truthfulness he elaborated that enforcement of competition law is a subset of society. With regard to surveys and collection of data he explained that in India availability of data requires time as there is a shortage of people who actually understand the subject. He further stated that for proper relation between economics and competition law the lawyers and economists have to work together.

Taking the discussion ahead Mr. John Ramirez clarified that economics is not like physics with fixed concepts but is more of an empirical exercise. He explained that there are economists and lawyers on both sides of a case and there are agreements and disagreements but the practical application of economics along with law is required. He concluded that the key for proper use of economics in competition is empirical analysis along with requisite data collection.

The floor was left open for interaction and one of the participants suggested to discuss the effect of technology on data collection and how difficult it is in India to collect appropriate data since India is a cash-based economy. The panellists explained that the economists are working on techniques to collect data in a more appropriate manner and also there has to a stricter legal framework for the technological aspect of data gathering. Another participant desired to know if there is any data retention policy in place for anti-competitive cases that are brought before the CCI. The panellists elaborated that there is certainly a data retention policy by the CCI. The discussion was concluded by Dr. Gouri asking to have faith in the market. All the participants were given the participation certificates for attending the Winter School.



Annexure I: Agenda  
**Agenda for 2<sup>nd</sup> Winter School**  
**Role of Economics in Competition Law**

3<sup>rd</sup> – 7<sup>th</sup> November, 2014, New Delhi, India

**Venue:**

The Muse, Sarovar Portico  
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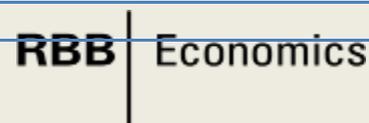
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Sessions: Day 1 (November 3, 2014)		
(08.45 A.M – 09.30 A.M)	<b>Registration</b>	
<b>Inaugural Session</b> (09.30 A.M - 10.00 A.M)	<ul style="list-style-type: none"> <li>• Mr. Pradeep S Mehta, Secretary General, CUTS International, &amp; Chairman, CUTS Institute for Regulation &amp; Competition</li> <li>• Mr. Sanjeev Ahluwalia (Former IAS), Advisor, Observer Research Foundation &amp; Member Governing Council, CIRC</li> <li>• Dr. Adrian Majumdar, Partner, RBB Economics</li> </ul>	
<b>Tea Break</b>		
Sessions	Faculty	Topics Covered
<b>SESSION 1</b> (10.30 A.M – 11.45 A.M) <b>Introduction to Basic Concepts of Economics</b>	Prof. (Dr.) Radha Seshan, Professor (Economics), National Law University, Delhi	<ul style="list-style-type: none"> <li>➤ Theory of Demand and Supply</li> <li>➤ Consumer and Producer Surplus</li> <li>➤ Consumer Welfare &amp; Total Welfare</li> <li>➤ Economics and Competition Law</li> </ul>
<b>SESSION 2</b> (11.45A.M – 01.00 P.M) <b>Introduction to Market Structure</b>	Prof. (Dr.) Radha Seshan, Professor (Economics), National Law University, Delhi	<ul style="list-style-type: none"> <li>➤ Perfect Competition</li> <li>➤ Oligopolistic Markets</li> <li>➤ Monopolistic Competition</li> <li>➤ Role of Innovation in Market Structure</li> <li>➤ Emerging Economies Market Structure and Competition Law</li> </ul>
<b>LUNCH BREAK</b>		



<b>SESSION 3</b> <b>(02.00 P.M – 04.00 P.M)</b> <b>Regulating Markets through Competition Law and Policy</b>	Prof. (Dr.) Aditya Bhattacharjea, Professor & Head, Delhi School of Economics, University of Delhi	<ul style="list-style-type: none"> <li>➤ Sources of Market Failure</li> <li>➤ Introduction to Competition Policy</li> <li>➤ Competition Policy versus Regulation</li> <li>➤ Evolution of Economic Schools on Competition Law Principles</li> </ul>
<b>TEA BREAK</b>		
<b>SESSION 4</b> <b>(04.15 P.M – 06.15 P.M)</b> <b>Introduction to Oligopoly and Game Theory</b>	Prof. (Dr.) Aditya Bhattacharjea, Professor & Head, Delhi School of Economics, University of Delhi	<ul style="list-style-type: none"> <li>➤ Oligopoly and Game Theory</li> <li>➤ Strategic and extensive form games</li> <li>➤ Solving a Game &amp; Nash Equilibrium</li> <li>➤ Applications to Competition Policy</li> </ul>

<b>Sessions: Day 2 (November 4, 2014)</b>		
Sessions	Faculty	Topics Covered
<b>SESSION 5</b> <b>(09.00 A.M – 11.00 A.M)</b> <b>Introduction to Competition Policy</b>	Dr. Chris Walters, Competition and Markets Authority, UK	<ul style="list-style-type: none"> <li>➤ Aim of competition policy</li> <li>➤ Market definition</li> <li>➤ Market power</li> <li>➤ Dominance</li> </ul>
<b>TEA BREAK</b>		
<b>SESSION 6</b> <b>(11.15 A.M – 01.15 P.M)</b> <b>Economics of Exclusionary Behaviour (I)</b>	Dr. Adrian Majumdar, RBB Economics	<ul style="list-style-type: none"> <li>➤ Effects based analysis</li> <li>➤ Exclusionary pricing behaviour</li> </ul>
<b>LUNCH BREAK</b>		
<b>SESSION 7</b> <b>(02.00 P.M – 04.00 P.M)</b> <b>Horizontal Agreements and Current Issues</b>	Dr. Chris Walters, Competition and Markets Authority, UK	<ul style="list-style-type: none"> <li>➤ Introduction to horizontal agreements</li> <li>➤ Reverse payments</li> </ul>



<b>SESSION 8</b> <b>(04.15 P.M – 06.15 P.M)</b> <b>Economics of Exclusionary Behaviour (II) and Economics of Vertical Agreements</b>	Dr. Adrian Majumdar, RBB Economics	<ul style="list-style-type: none"> <li>➤ Tying, bundling, refusal to supply</li> <li>➤ Introduction to vertical agreements</li> <li>➤ Resale Price Maintenance</li> <li>➤ Price reference agreements and</li> </ul>
<b>Sessions: Day 3 (November 5, 2014)</b>		
<b>Sessions</b>	<b>Faculty</b>	<b>Topics Covered</b>
<b>SESSION 9</b> <b>(09.00 A.M – 11.00 A.M)</b> <b>Introduction to Cartels and Coordination</b>	Dr. Chris Walters, Competition and Markets Authority, UK	<ul style="list-style-type: none"> <li>➤ Introduction to cartels and coordination</li> <li>➤ Theory</li> <li>➤ Evidence</li> <li>➤ Coordinated effects</li> </ul>
<b>TEA BREAK</b>		
<b>SESSION 10</b> <b>(11.15 A.M – 01.15 P.M)</b> <b>The Economics of Unilateral Effects (I)</b>	Dr. Adrian Majumdar, RBB Economics	<ul style="list-style-type: none"> <li>➤ Theory of unilateral effects</li> <li>➤ Measuring closeness of competition</li> <li>➤ Supply side responses and buyer power</li> </ul>
<b>LUNCH BREAK</b>		
<b>SESSION 11</b> <b>(02.00 P.M – 04.00 P.M)</b> <b>The Economics of Unilateral Effects (II)</b>	Dr. Chris Walters, Competition and Markets Authority, UK	<ul style="list-style-type: none"> <li>➤ Price pressure tests</li> <li>➤ Merger simulation</li> <li>➤ Efficiencies</li> </ul>
<b>TEA BREAK</b>		
<b>SESSION 12</b> <b>(04.15 P.M – 06.15 P.M)</b> <b>Further Topics in Merger Analysis</b>	Dr. Adrian Majumdar, RBB Economics	<ul style="list-style-type: none"> <li>➤ Input foreclosure</li> <li>➤ Diagonal mergers</li> <li>➤ Minority share holdings</li> <li>➤ Merger remedies</li> </ul>



## Sessions: Day 4 (November 6, 2014)

Sessions	Faculty	Topics Covered
<b>SESSION 13</b> <b>(09.00 A.M – 11.00 A.M)</b> <b>Economics of</b> <b>Exploitative Practices</b>	Mr. John Ramirez (Managing Director, Econ One Research)	<ul style="list-style-type: none"> <li>➤ Unfair Pricing</li> <li>➤ Unfair Trade conditions</li> <li>➤ Price Discrimination</li> <li>➤ Other Exploitative Practices</li> </ul>
<b>TEA BREAK</b>		
<b>SESSION 14</b> <b>(11.15 A.M – 01.15 P.M)</b> <b>Economics of Network</b> <b>Industries and Online</b> <b>Markets</b>	Mr. John Ramirez (Managing Director, Econ One Research)	<ul style="list-style-type: none"> <li>➤ Network Effects and Online Markets</li> <li>➤ Introduction to Multi-sided Markets</li> <li>➤ Dynamics of Multi-sided Markets</li> <li>➤ Pricing Strategy</li> <li>➤ Implications for Competition Policy</li> </ul>
<b>LUNCH BREAK</b>		
<b>SESSION 15</b> <b>(02.00 P.M – 04.00 P.M)</b> <b>Deterrence</b>	Mr. John Ramirez (Managing Director, Econ One Research)	<ul style="list-style-type: none"> <li>➤ Detecting Cartels</li> <li>➤ Leniency and Optimal Penalties for Cartels</li> <li>➤ Calculating Cartel Damages</li> <li>➤ The Risk of Deterring Pro-competitive Behaviour</li> </ul>
<b>TEA BREAK</b>		
<b>SESSION 16</b> <b>(04.15 P.M – 06.15 P.M)</b> <b>Simulation</b> <b>Exercise/Case Study</b>	Mr. Manas Chaudhuri (Partner, Competition Law Practice, Khaitan and Company)	Simulation Exercise/ Case Study on Abuse of Dominance



Sessions: Day 5 (November 7, 2014)		
Sessions	Faculty	Topics Covered
<b>SESSION 17</b> <b>(09.00 A.M – 11.00 A.M)</b> <b>Simulation Exercise/ Case Study</b>	Advisor (Economics), Competition Commission of India (TBC)	Simulation Exercise/ Case Studies on Anticompetitive Agreements
<b>TEA BREAK</b>		
<b>SESSION 18</b> <b>(11.15 A.M – 01.15 P.M)</b> <b>Simulation Exercise/ Case Study</b>	<ul style="list-style-type: none"> <li>• Dr. Geeta Gouri (Former Member, CCI)</li> <li>• Mr. John Ramirez ( Managing Director, Econ One Research)</li> <li>• Advisor (Economics), Competition Commission of India (TBC)</li> </ul>	Panel Discussions
<b>Valedictory Session &amp; Certificate Distribution</b>		
<b>LUNCH</b>		





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