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**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE**

Working Party No. 2 on Competition and Regulation

**Assessing and Communicating the Benefits of Competition Interventions – Note by
Türkiye**

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This document reproduces a written contribution from Türkiye submitted for Item 6 of the 75th meeting of Working Party 2 on 12 June 2023.

More documents related to this discussion can be found at
<https://www.oecd.org/competition/assessing-and-communicating-the-benefits-of-competition-interventions.htm>

Federica MAIORANO
Email : Federica.MAIORANO@oecd.org

JT03518949

Türkiye

1. Impact Evaluation

1.1. Introduction

1. Following the path of the competition authorities, which have been carrying out studies to reveal the economic effects of their activities, Turkish Competition Authority (TCA) started to count the economic impact of its activities. First impact analysis of TCA was completed and presented in year 2017. In this study TCA tried to calculate the consumer benefit resulted after its intervene to the cartel and abuse of dominant position practices and the merger/acquisition transactions that are not allowed or allowed in case of certain conditions or obligations are fulfilled, for three years period (between 2014-2016).
2. After the first one, the impact analysis continued to be prepared for every two years period and shared with public on TCA's website although it is not a statutory requirement.

1.2. Methodologies

3. While quantitatively assessing the impact of its activities, TCA used a similar methodology with the other competition authorities. Basically, the calculations are on the grounds of the assumption that consumer benefit of the decision is equal to the negative impact of antitrust violation which is eliminated by the intervene of TCA.
4. TCA assessment is limited with the direct price impact of its interventions and it does not make any qualitative or quantitative assessment on the other results of its interventions such as deterrence, innovation or the effects on economic growth or development.
5. TCA's assessment covered only three type of antitrust infringements, which are cartels, abuse of dominance and mergers, until the last analysis that is published in year 2023 and covered the practices of TCA between the years 2021-2022. However, in the last one TCA kept its methodology but it broaden the scope of its analysis and has begun to cover retail price management (RPM) type of infringement in its assessments.
6. TCA uses three basic data for its calculation: (I) the turnover affected by the decision, (II) estimated price increase that is prevented by the TCA's decision and (III) the time period in which the price increase would take effect if the infringement was not prevented.
7. While doing calculations, the decision of which turnover will be taken into account, what will be the rate of price increase and how long the violation will continue if it is not prevented vary depending on the type of violation intervened.

1.2.1. Assumption for Cartels and Retail Price Management

8. Parallel to the leading antitrust authorities and the European Commission TCA assumes that the price increase would be at least 10% if the cartel were not intervened. For the duration of the cartel two different assumption used as conservative scenario and the realistic one, which is named OECD approach and the calculations are done in accordance with those assumptions.

9. According to the conservative scenario TCA assumes that the cartel would continue at least one year, according to the OECD methodology it is assumed that the cartel would continue at least three years. The price increase assumption is same for both of them and it is 10%.

10. On the other hand, the view of TCA to the RPM cases has changed in time. In a different way from the other authorities and from TCA's own previous assessments, RPM type of infringements has been started to taken into account while calculating the impact. Since it was observed that there is a significant difference between the prices applied in RPM period and the prices applied in the normal periods, it was considered that RPM has very similar negative results with cartel behavior and thus, the same methodology with cartels might be used for the impact assessment of RPM cases.

1.2.2. Assumption for Abuse of Dominance

11. For the abuse of dominance cases TCA reviewed the assumption of different competition authority's ways of calculations, the literature about that and the OECD approach. As a conclusion, TCA has been calculating the impact under two different assumptions. With the conservative view, TCA assumed that abuse of dominance result with a 1% of price increase and continues at least 1 year. In accordance with the OECD methodology, it is assumed that the abuse of dominance result with at least 5% of price increase and continues 3 years.

1.2.3. Assumption for Mergers

12. In recent years, many of competition authorities have changed the way of calculating the benefit generated through corrective intervention in mergers/acquisitions and instead of using a uniform price increase assumptions, they have started to use price data and concentration simulation methods to calculate the consumer benefit decreasing effects of mergers and acquisitions. However, TCA continues to use the assumed price increase to calculate the benefit of intervention due to the lack of accurate data.

13. According to the conservative assumption, TCA assumed that anticompetitive mergers/ acquisitions result with 1% of price increase and continues at least 1 year. According to the OECD methodology, it is assumed that anticompetitive mergers and acquisitions result with at least 3% of price increase and continues 2 years.

2. Communication and Advocacy

14. TCA attach great importance to improve the awareness of competition law and to share its knowledge and experience through the appropriate platforms. In this context, TCA has been working to establish and develop a competition culture in our country by raising public awareness about the benefits of competition and competitive environment. Within this scope;

- We provide information, coordination, training, presentation, participation in organizations for media and stakeholders. When necessary, we organize joint activities with business associations.
- Some of the most important Competition Board decisions taken recently were translated into English and published on the Authority's website.

- In partnership with universities, we organize events that address current competition law and enforcement issues. Also, we participate in the career days organized by the universities.
- Since 2003, the Authority has been providing the two-week internship program for university students, aimed at contributing to the know-how on competition law and practice and increasing interest in this field.
- The training programs for the professional staff have been increased recently in order to strengthen the organizational capacity.

15. On the other hand, as a result of the growing power of social media, TCA has started use the social media more actively within the scope of competition advocacy. Recently, two promotional films have been prepared within the scope of announcing the vision and mission of the Authority to the citizens through social media channels. In addition, TCA posts videos, in which TCA experts are talking about important decisions of TCA and the issues that may be prioritized in terms of competition law, on YouTube. TCA also use Twitter and LinkedIn to announce its most recent decisions. Furthermore, the TCA President and/or other executives give interviews to the newspapers, magazines etc. For the market studies conducted we organize panels to discuss the final reports. TCA also collaborates with the press and our experts write articles explaining recent cases and/or developments about competition law and policy. These articles are published as an annex journal to the newspaper.

16. After all of these efforts to increase communication with public using different media instruments, it has been realized that the usage of social media is the most effective communication tool for TCA since it contributes to improve the awareness of consumer about the benefit of competition law.

17. TCA is also aware the importance of engaging with stakeholders for an effective advocacy. Although who may be the stakeholder changes case by case, mainly, our stakeholders are other regulatory bodies, the business world and market players when holding an investigation on a specific market, chamber of commerce or professional associations, academia, lawyers and the media. While working the stakeholders the best communication strategy may vary due to the which stakeholder we work with. While working with other regulatory bodies face to face meetings might been the most effective method, while working on a legal regulation, the most effective method may be workshops.

18. Since TCA attaches importance to the transparency and communication with public, it shares both its own decisions and the decisions of the court regularly and up-to-date on its own website. As a part of its transparency politics TCA also publish an annual report and present it publicly. In the annual report of TCA, not only the decisions taken by the authority but also the education and internship activities of the institution, the studies carried out within the scope of international relations, multilateral relations, sector review and the publication made by are included.

19. On the other hand, sanctions are also important in our advocacy and communication strategy; the decisions of the Competition Board with high penalties usually attract the attention of the press and the public. They also serve as a deterrent mechanism for companies. However, TCA does not have a standard procedure for informing the public about the outcome of Court proceedings.

20. TCA not only tries to raise the awareness of competition law in the context of private sector it also provides various opinions to government bodies, public institutions and organizations for this purpose. Essentially, these opinions serve to examine a planned legislation or a planned practice by the relevant agency or organization from a competitive

perspective and, to the extent possible, to ensure that a competitive perspective is included in the relevant legislation text or practice. Some of the consultations in Parliament proceedings are made public but TCA does not have a standard procedure for this.

21. After all of the efforts to raise the awareness of competition law in Türkiye, TCA wanted to evaluate the impact of them and ran an extensive survey about the awareness of competition law in Türkiye, working with ANAR, a private company that runs surveys. After survey prepared a report titled “The Perception of Turkish Competition Authority in Public” was prepared.