TURKISH COMPETITION AUTHORITY
THE IMPACT ASSESSMENT REPORT 2023 - 2024

1. INTRODUCTION AND SUBJECT

(1)   In recent years, an increasing number of competition authorities have been conducting studies to assess the economic impact of their activities. These studies, defined as impact analysis, both serve the competition authorities' desire to operate within the principles of transparency and accountability and provide benefits such as evaluating whether the decisions made are appropriate and ensuring quality control in this sense. Additionally, some competition authorities are legally required to generate more benefits than the costs to the public, which leads to the regular conduct of impact assessments within these institutions[1].

(2)   In line with this trend, the Turkish Competition Authority (TCA) has also started conducting studies on impact analysis, with the first of these completed by our department in July 2017 and presented at the symposium held on the occasion of the 20th anniversary of TCA's establishment. This study assessed the effects of decisions made by the Competition Board **during the third-year period between 2014 and 2016** regarding cartel and abuse of dominance practices that were terminated, as well as mergers/acquisitions that were either not allowed or allowed under certain conditions or obligations (modified mergers/acquisitions). Following this report, impact analysis studies were repeated for **two-year periods for the years 2017-2018, 2019-2020 and 2021-2022.**

(3)   The current study is a continuation of the impact analysis reports prepared by our department in July 2017, February 2019, March 2021, and January 2023, and aims to predict the measurable economic effects of the decisions taken by the Competition Board during the **2023-2024 period** on consumer welfare.

(4)   In order to ensure consistency and allow for a healthy comparison, the methodology used in the current study has largely adhered to the methodology used in previous studies. The only significant difference compared to the first three impact analyses is

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[1]Impact Assessment 2014-2016, July 2017.

that, starting from the January 2023 report, the decisions regarding resale price maintenance (RPM) violations taken by the Competition Board during the relevant period are included in the calculations when estimating the contribution to consumer welfare. The reasons for this inclusion will be explained in detail below. Additionally, cases concluded through settlement are included in the calculations.

(5) In this context, the study will first provide the calculations used in impact analysis reports conducted by various competition authorities for cartels, vertical agreements that restrict competition through RPM, abuse of dominance, and mergers and acquisitions. It will also include the calculation methods recommended by the Organisation for Economic Co-operation and Development (OECD) for authorities seeking to conduct similar studies. Following this, under the assumptions created in light of these practices, an estimate of the impact on consumer welfare for the 2023-2024 period will be made.

2. METHODOLOGY

(6) Although many competition authorities are known to conduct impact assessment analyses within a similar framework and in comparable ways, it is not possible to speak of a standardized calculation method on this matter. Essentially, all calculations are based on the assumption that the decisions of competition authorities are appropriate in terms of bringing an end to the infringement in the market and that consumers would have been adversely affected had these decisions not been taken. In these studies, it is assumed that the harm eliminated for consumers is equal to the benefit generated, and studies try to determine the size of this benefit.

(7) Three fundamental types of data are required for this calculation:

(i) the turnover affected by the decision,

(ii) the estimated rate of price increase prevented as a result of the decision

(iii) the duration over which the price increase would have been effective if the infringement had not been prevented.

(8) Which turnover should be taken into account, what the price increase rate, which is estimated to be prevented by the appropriate intervention of the competition authority would be, and how long the infringement would have continued if it had not been

stopped vary depending on the type of infringement intervened. Below, the relevant durations and rates to be taken as a basis for each type of infringement are presented:

2.1. CARTELS AND RPM

(9) The magnitude of the consumer benefit resulting from a competition authority's intervention in a cartel agreement depends on how long the cartel would have remained effective and the extent of the price increase it would have caused if the intervention had not taken place. When international practices on calculating the measurable effects of decisions taken by competition authorities are examined, it is seen that **while assumptions regarding the rate of price increase in cartels tend to converge**, **assumptions regarding the duration of the price increase can differ significantly.**

(10) On the other hand, there is a consensus regarding which turnover should be taken as the basis. This is because all competition authorities whose similar studies have been examined rely on the turnover generated from the goods or services affected by the cartel when performing calculations related to cartel cases.

(11) Below are the assumptions used by leading competition authorities in impact assessment studies, as well as those used by the European Commission in cartel decisions, in cases where case-specific data are not available.

Table 1: Assumptions Related to Cartels

	European Commission	DoJ[2]	CMA[3]	ACM[4]	OECD
Price Increase (%)	10-15	10	10-15	10	10
Duration[1] (year)	1/ 3/ 6	Less than one year[5]	6	1	3

Source: OECD (2013)[6], OECD (2014)[7]
[1] CMA and the European Commission reduce the future benefits to current value with social discount (reduction) rate (3.5%).

[2]Department of Justice
[3] Competition and Markets Authority. It was referred to as Office of Fair Trading (OFT) in the year, when the referenced study was published. Hereafter, the said authority is referred to by its current name.
[4]Authority for Consumers & Markets. It was referred to as NMa in the year, when the referenced study was published. Hereafter, the said authority is referred to by its current name.
[5]For cartels that lasted less than one year on the moment they are detected, DoJ assumes that the cartel would have continued to be effective for a period equal to the duration of the violation in the future if there had not been an intervention.
[6] OECD (2013), Assessment of the Impact of Competition Authorities' Activities – Note by Prof. Stephen Davies, OECD Publishing,
[7] OECD (2014), Guide for helping competition authorities assess the expected impact of their activities, April 2014

(12)   When Table 1 is examined, it is seen that the assumptions adopted by the relevant competition authorities regarding cartel-related price increases significantly overlap, and that the minimum assumed price increase rate is estimated as 10% by all authorities. Similarly, in the "*Guide for Helping Competition Authorities Assess the Expected Impact of Their Activities*,"[8] published by the OECD in 2014, it is recommended that a 10% price increase assumption be used for cartels.

(13)   However, there is no consensus regarding the assumptions used for how long a price increase resulting from a cartel agreement would remain effective. While the DoJ and the ACM adopt a conservative assumption that, in the absence of the intervention by the competition authority, the cartel would have continued to be effective for no more than one year from the time it was detected, the CMA assumes a duration of six years.

(14)   The European Commission, on the other hand, made a change to its calculation method in 2011 and concluded that determining the duration based on the stability of the cartel within the framework of the information available in the case file would be more accurate. Accordingly, it began using the assumptions that a cartel would continue for 1 year if it is fragile, 3 years if it is moderately stable, and 6 years if it is stable.

(15)   In the aforementioned OECD guide, it is recommended that, in the absence of case-specific findings, a duration assumption of 3 years be used for cartels.

(16)   On the other hand, the assumptions regarding the price increase and duration used in welfare calculations may also be determined based on price increase rates observed in past infringement cases. For instance, in Connor's (2024) study[9], where he compiled more than 800 publications on 709 cartels by benefiting from the data in the cartel files examined by competition authorities across different regions and countries, the median cartel-related price increase rate was reported as 23.2%, while the average price increase rate reached 121%[10]. Therefore, an important point highlighted as a result of

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[8] See footnote above.
[9] CONNOR J. M. (2024), *Price Fixing Overcharges*, 4th Edition
[10] The overcharge ratio is the value obtained by subtracting the benchmark price from the price imposed by the cartel agreement and then dividing this value by the cartel price.

many studies in the literature is that in more than half of the cases, cartel-related price increases exceed 20%. Some of these studies and their findings are presented below.

Table 2: Studies on Cartel Average Price Increase

Source	Number of Cartel Files	Average Price Increase (%)
Griffin (1989)	38	28
Cohen and Scheffman (1989)	5-7	7.7-10.8
Posner (2001)	12	49
Davies and Majumdar (2002)	23	24.9-33.9
Werden (2003)	13	21
Levenstein and Suslow (2006)	22	43
OECD (2003)[11]	13	21.6
Ivaldi et al. (2012, 2013, 2017)	83	23.1
Total	210-212	28.1[12]

Source: Connor (2024).

(17) Considering the calculations presented in the studies referenced in the table above, it is understood that the 10% price increase assumption used by the Economic Analysis and Research Department (EARD) can be regarded as a quite reasonable rate.

(18) On the other hand, there are also many studies examining how long anti-competitive conduct continues, specific to cartels. These studies[13] indicate that the average cartel duration calculated by researchers ranges from 3.7 to 7.5 years[14].

(19) Although the duration of cartels in the literature differs from the durations used by competition authorities when calculating consumer welfare and although the durations calculated in academic studies tend to be longer than those adopted by authorities, we consider it appropriate to adopt the most cautious approach.

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[11]The report states that the price increase rate is generally between 15% and 20%.

[12]In order to make a correct calculation, the relevant calculation is made by using geometric average. The average of rate ranges are accepted, with Cohen and Scheffman's (1989) rate being 9.25 and Davies and Majumdar's (2002) rate being 29.4.

[13] See ZIMMERMAN, J.E. ve J.M. CONNOR, (2005), *Determinants Of Cartel Duration: A Cross-Sectional Study Of Modern Private International Cartels*, Draft August 2*, 2005*. The study calculates average cartel duration as 8 years. The study, which is based on Commission and Netherlands decisions, does not indicate the period for which the data set is chosen.
Also see MUDDE, J. M. (2012), *The Outcome Effect of European Competition Policy for the Netherlands*, Erasmus University, Master Thesis.

[14] Grossman, P.Z. (ed.) (2004), *How Cartels Endure and How They Fail: Studies of Industrial Collusion*. Cheltenham, UK: Edward Elgar,

(20) On the other hand, prior to 2023, the impact assessment studies conducted within the TCA did not include the effects of RPM infringements on consumer welfare. However, RPM, considered among the most severe vertical restraints, has significant negative consequences, such as preventing sellers from offering alternative prices that consumers could consider when making choices[15], and causing price increases at the final stage of the vertical relationship.[16] Indeed, the literature contains studies showing substantial differences between prices applied during RPM periods and prices applied under normal market conditions[17].

(21) For example, in a study in which price levels were examined using 12 different models[18], the market price under a resale price maintenance scenario was found to be more than 7.4% higher compared to the scenario where resale prices were not fixed.

(22) To observe the direct effects of RPM on prices, another comprehensive study[19] examining the impact of the French Galland Act[20], which was enacted to protect the balance in commercial relations between major retail chains and suppliers, and to safeguard small retailers, is also informative. According to the study, the correlation observed between retail prices in local markets and market concentration before the Galland Act disappeared after the Act came into force, and firms' incentives to compete decreased. Moreover, as a result of the study which was related to 2,000 stores and 190 product categories for the period 1993–1999 (covering both pre- and post-Act periods), it was concluded that post-Act market prices were 15% higher than market prices in the earlier, more competitive period.

(23) In another study evaluating the effects of interventions carried out by the CMA following various investigations, the impact of the producer/retailer Endon's resale price

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[15]From a dynamic perspective, this situation causes competitive harms by means of preventing more efficient sellers from increasing market shares.
[16] PEEPERKORN, L. (2015), ''Resale Price Maintenance and Its Alleged Efficiencies'', *European Competition Journal*, Vol:4, No:1, s. 201-212.
[17] KIRKWOOD, J. B. (2010), ''Rethinking Antitrust Policy Toward RPM'', *The Antitrust Bulletin*, Vol:55, No:2, p.423-472
[18] BONNET, C. ve DUBOİS, P. (2010), "Inference on vertical contracts between manufacturers and retailers allowing for nonlinear pricing and resale price maintenance", *The RAND Journal of Economics*, 41(1), 139-164.
[19] REY, P. and VERGÉ, T., (2008), "The Economics of Vertical Restraints", in Handbook of Antitrust Economics, Paolo Buccirossi ed., MIT Press.
[20] It covers regulations related to pricing made also based on the cost of providing the product, preventing the sale of producers'/suppliers' products below cost.

maintenance practices on products supplied by The National Lighting Company was examined[21]. The study indicates that when prices during the infringement period and prices after the infringement were analyzed after adjusting for inflation, it was found that post-infringement prices approximately decreased by 17% compared to the prices during the infringement. Within the same study, it was noted that the price increase rate calculated exceeded the 15% rate used in the authority's impact assessment report[22], and it was therefore suggested that a 17% price increase assumption would be more appropriate for this specific case.

(24) Although there are arguments in the literature suggesting that RPM may, under certain conditions, produce pro-competitive outcomes[23] and enhance welfare[24], these arguments generally lack empirical support and/or relate to non-price dimensions of competition. In this respect, considering the analyses in the sources referenced above and the TCA's enforcement experience to date[25], it is concluded that intervention in RPM cases increases consumer welfare, given that RPM reduces consumer welfare even solely through price increases.

(25) For these reasons, it is considered appropriate to include RPM decisions in impact analysis studies and, moreover, to follow the same methodology used for other cases under Article 4 when examining the potential effects of interventions in vertical agreements where competition is restricted through RPM.

(26) In the first impact analysis study conducted by the TCA for the years 2014-2016, two different scenarios were used -one conservative and the other based on the OECD guidelines - taking into account the differences in practice among competition authorities and the OECD's published guide. Similarly, in studies conducted during subsequent periods, calculations were carried out according to these two scenarios. This approach has been maintained for the current study as well.

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[21] DotEcon (2018), CMA Evaluation of CA98 cases.
[22] Office of Fair Trading, "A guide to OFT's Impact Estimation methods", July 2010.
[23] KOLLMAR, C. (2023), *Resale Price Maintenance and the Law The Future of Vertical Restraints*, Routledge, Abingdon and New York.
[24] GENAKOS, C., PAGLIEORO, M., SABATINO, L. & VALETTI, T. (2024), "Cultural Exception? The Impact of Price Regulation on Prices and Variety in the Italian Book Market". The authors concluded that following the implementation of the "Fixed Book Price" in Italy, Italian consumers benefited from this practice due to the increased variety, despite the rise in book prices.
[25] For instance see Competition Board decision dated 28.10.2021 and numbered 21-53/747-360, para. 408

(27) Accordingly, for cartels and agreements where competition is restricted through RPM, a 1-year duration has been assumed in the conservative scenario, and a 3-year duration has been assumed in calculations based on the OECD guidelines. For both scenarios, a 10% price increase assumption has been adopted.

2.2. MERGERS AND ACQUISITIONS

(28) In recent years, most competition authorities have changed the way the benefits generated through corrective interventions in mergers/acquisitions are calculated and instead of assuming a uniform price increase, they have begun to make price estimations generated through concentration simulations - applied to the extent permitted by the transaction - and to use these price data in the assumption of the resulting benefits. In addition, authorities continue to make calculations by using a specific price increase assumption.

The data presented in Table 3 indicate that the assumptions regarding both the magnitude and the duration of the price increase are quite cautious.

Table 3: Assumptions Related to Mergers/Acquisitions

	European Commission	FTC	DoJ	CMA	ACM	OECD
Price Increase (%)	3 - 5%	1%	Simulation or 1% [2]	Simulation or average of previous simulation estimations [2]	1% [2][3]	3%
Period[1] (year)	2 - 7[26]	2	1	2	1	2

Source: OECD (2013), OECD (2014)
[1] CMA and the European Commission reduce the future benefits to current value with social discount (reduction) rate (3.5%).
[2] Plus deadweight loss estimation
[3] Plus efficiency gains assumption

(29) It is understood that despite the differences in the duration and price increases taken as the basis in calculations, competition authorities take the total turnover of the affected market as the basis as the turnover.

(30) In this study, in line with previous studies, a cautious approach under a conservative scenario is adopted and in the calculations, the estimated price increase rate is

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[26] Determined according to the opinion formed within the framework of the available data in the file

assumed to be 1% and the possible duration of the price increase is assumed to be one year. In the calculations based on OECD guidelines, a possible price increase rate of 3% and a duration of two years were taken into account. However, regarding the turnover taken as the basis for the calculations, the study partially diverged from the approach of other competition authorities and takes the turnover of the parties to the transaction into account.

2.3. ABUSE OF DOMINANT POSITION

(31)   In our study, the mentioned competition authorities apply the assumptions presented in Table 4 if there are no case-specific findings or data available with respect to decisions on abuse of dominance. On the other hand, due to the limited number of relevant decisions, the European Commission no longer publishes the impact assessment results in this area in order to avoid compromising confidentiality.

Table 4: The Assumptions regarding Abuse of Dominant Position

	European Commission	FTC	DoJ	CMA	ACM	OECD
Price Increase	5 - 10%	1%[2]	1%[2]	10%	10%	5%
Period[1] (year)	1/ 3/ 6	2	1	6	1	3

Source: OECD (2013), OECD (2014)
[1] CMA and the European Commission reduce the future benefits to current value with social discount (reduction) rate (3.5%).
[2] Plus deadweight loss estimation

(32)   An examination of Table 4 shows that the assumptions used by different authorities vary significantly in terms of both price effects and duration. While the CMA and the ACM assume a 10% price increase, the FTC and the DoJ use a 1% price increase assumption. This suggests that the CMA and the ACM position abuse of dominance cases and cartel cases relatively closely to each other in terms of the outcomes they generate. It is understood that the Commission, on the other hand, assumes a price increase between 5% and 10%, depending on the case.

(33)   It appears that the OECD's general approach aimed at balancing the risk of both under- and over-estimating the effects is also applicable to abuse of dominance cases. As shown in Table 4, the OECD recommends assuming a 5% price increase and a duration of three years for abuse of dominance cases.

(34)   In this study, which aims to estimate the measurable consumer welfare effects of the Competition Board's decisions, a conservative scenario of a 1% price increase and a one-year potential duration of the price increase are adopted for abuse of dominance cases. The calculations are also repeated using the assumptions recommended in the OECD guideline.

2.4. OTHER ASSUMPTIONS

(35)   This study, in line with the OECD guideline, is generally based on the assumption that the effects of the Competition Board's decisions included in the assessment are positive, and that, if the Competition Authority had not intervened, the relevant agreement, conduct, or merger/acquisition would have generated anti-competitive effects and reduced consumer welfare.

(36)   In the study, the principle adopted is that decisions are included in the scope of assessment in the year in which they were rendered by the Board, unless they are subject to annulment[27], even if judicial proceedings concerning them are still ongoing.

(37)   The consumer benefit likely to have arisen from the relevant decisions is not calculated based on case-specific findings, but rather within the framework of the assumptions outlined in earlier sections for each type of decision. The primary reason for this is the absence of case-specific price increase findings for each decision. On the other hand, applying a uniform approach does not significantly affect the outcome. This is because the consumer benefit obtained in the study is calculated under both highly conservative assumptions and those recommended in the OECD Guideline. Accordingly, instead of a single figure representing the best estimate of consumer benefit, a range of values emerges. This reduces the importance of case-specific estimations of the price increase and duration of the price increase.

(38)   Within the adopted cautious approach, the consumer benefit calculations rely solely on the **turnover of the parties to the case**, for cartel and abuse of dominance decisions as well as merger/acquisition decisions.

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[27] At the date when the study was completed, there were not any decisions under the scope of assessment that were subject to annulment.

(39)   Although the main principle is to consider t**he turnover in the relevant market** in which the competitive concern has arisen due to the agreement/conduct/transaction, this is not possible for certain decisions due to lack of data. In such cases, **the annual gross revenues of the parties including also their activities in markets other than the relevant market** are taken into account. In addition, the present study does not include an estimate of the deterrent effect[28] of competition interventions or the magnitude of the avoided deadweight loss. When these factors are considered together with the fact that the assumptions used are highly conservative, it is believed that the adopted methodology will not result in an overestimation.

(40)   In cases where it is assumed that the positive effects of the decisions will last longer than one year, future consumer benefits are discounted to their present value using a social discount rate of 10%[29].

(41)   To account for the impact of inflation in the calculations, consumer price index data (CPI 2003=100) obtained from the Turkish Statistical Institute is used. All estimates are presented in December 2024 price levels.

(42)   Finally, it should be noted that the consumer benefits calculated within the scope of this information note do not include the administrative fines imposed on undertakings as a result of the infringement decisions assessed.

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[28]The existence and enforcement of the competition act reduces undertakings' incentive to attempt anticompetitive practices.

[29] Our study is based on "Uzunkaya Z.C. ve M. Uzunkaya (2012), *Türkiye İçin Ekonomik İndirgeme Oranı Tahmini,* November 2012" for the determination of economic reduction rate. In the writers' estimations made by using the data pertaining to the years between 1987 and 2006, the reduction rate for Türkiye is 9% and 11.9%. Depending on this result, our study takes 10% as the economic reduction rate.

3. EVALUATION OF THE EFFECTS OF THE ACTIVITIES OF THE COMPETITION AUTHORITY DURING THE 2023-2024 PERIOD

3.1. SCOPE

(43) Below are the statistics regarding the infringement decisions issued as a result of the investigations conducted by the Competition Board, as well as the mergers/acquisitions that were prohibited or conditionally approved during the years 2023–2024.

Table 5: Activity Statistics

The relevant activity of the TCA (2023-2024 period)	Number of Decisions
Investigations concluded with a finding of violation	**99**
Article 4 (Agreements and concerted practices between undertakings)	93
Article 6 (Abuse of Dominant Position)	6
Mergers/ Acquisitions	
Authorized Subject to Conditions	**12**
Total Number of Analyzed Decisions	**111**[30]

(44) The primary objective of the impact analysis study is to demonstrate the consumer benefit likely to have been generated as a result of the Competition Authority's competition law enforcement; in other words, its interventions against anti-competitive agreements and practices, as well as anti-competitive mergers/acquisitions in various markets, pursuant to Articles 4, 6, and 7 of the Act no 4054.

(45) However, similar to the approaches of other authorities, the study does not take into account the Competition Authority's interventions concerning agreements which, although found to restrict competition under Article 4 of the Act no 4054 during the relevant period, were not classified as cartels or RPM (e.g. other horizontal agreements). Similarly, activities carried out within the scope of competition advocacy (such as sector inquiries) and cases concluded with commitments are not included in the calculations of this impact analysis study.

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[30]As known, more than one settlement is possible within the scope of a file. Thus, settlement transactions from a relevant file are not included in the descriptive statistics as a separate file.

(46) Accordingly, this Report focuses on the effects of

- Cartel agreements[31] that are subject of infringement decisions, vertical agreements in which competition is restricted through RPM, and abuses of dominant position that were the subject of infringement decisions, and

- merger/acquisition transactions that were conditionally approved[32]

by the Competition Board in the 2023–2024 period.

(47) During the years 2023 and 2024, in a total of 99 decisions that can be evaluated under the scope of our study - 93 of which were related to cartel and similar agreements as well as RPM and six of which were related to abuse of dominant position- the Competition Board decided that the acts which were the subject of the investigation constituted a violation. During the same period, the Board authorized 12 mergers/acquisitions in total within the framework of conditions to ensure that possible anticompetitive impacts are eliminated. While the number of cases included in the calculations averaged nine per year in impact analysis studies for the 2014–2020 period, this figure increased to 24 in the 2021–2022 period and to 55 in the 2023–2024 period[33]. The estimates in this Report cover the said 2023–2024 Competition Board decisions[34].

(48) In our study, the static consumer benefits, in other words, the magnitude of the price increases avoided as a result of the Competition Board's decisions within the scope are estimated. Accordingly, potential dynamic effects such as innovations, quality improvements, and efficiency gains that may have arisen in the relevant markets due

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[31]The decisions of the Board on anticompetitive practices in the labor market are not included in the calculation.

[32]It is assumed that the conditions imposed are sufficient to eliminate possible anticompetitive effects of the transaction.

[33]As known, a file can be concluded with both settlement and fines. Accordingly, the relevant files are addressed in a way to cover also settlement decisions.

[34] In the study covering the decisions between 2014 and 2016, the number of files analyzed was 27; out of those, 13 concerned cartels, 7 were related to the abuse of dominant position and 7 were related to corrective mergers/acquisitions. In the study covering the decisions between 2017 and 2018, the number of files analyzed was 18; out of those, 3 concerned cartels, 11 were related to the abuse of dominant position and 4 were related to corrective mergers/acquisitions. In the study covering the decisions between 2019 and 2020, the number of files analyzed was 18; out of those, 10 concerned cartels, 5 were related to the abuse of dominant position and 3 were related to corrective mergers/acquisitions. In the study covering the decisions between 2021 and 2022, the number of files analyzed was 48; out of those, 37 concerned cartels, 6 were related to the abuse of dominant position and 5 were related to corrective mergers/acquisitions.

to enhanced competition resulting from the TCA's interventions are not included in the calculations.

(49) In light of the explanations provided above, it should be emphasized that the consumer benefit presented in this study reflects only a portion of the benefits delivered to consumers through the activities of the TCA during the relevant period.

3.2. ESTIMATED BENEFITS

3.2.1. Conservative Scenario

(50) As explained in the previous section, the calculations for the conservative scenario are made based on the lowest duration and price increase assumptions used by competition authorities in the calculations regarding impact assessment analyses. In this context, the assumptions adopted for each type of decision regarding the price-increase rate and the potential duration of the price increase are presented in the table below:

Table 6: Conservative Scenario Assumptions According to Decision Types

	Cartels and RPM	Abuse of Dominant Position	Mergers/ Acquisitions
Price Increase	10%	1%	1%
Duration (year)	1	1	1

(51) The estimates made within the scope of our study demonstrate that the decisions taken by the Competition Board during the relevant period generated substantial benefits for consumers. As shown in the table below, even under highly conservative assumptions, the interventions of the Competition Authority during this period are estimated to have provided consumers with an average annual benefit of 38.71 billion TL, and a total benefit of 77.42 billion TL over the two-year period.

Table 7: Estimated Benefit to Consumers Provided by the Interventions of the TCA during the 2023-2024 Period

Year	Estimated Total Benefit
2023	48.26 billion TL
2024	29.16 billion TL
Total (2023 - 2024)	77.42 billion TL
Average (2023 - 2024)	38.71 billion TL

(52) Table 8 shows the extent of consumer benefit generated by interventions in each area during the relevant period. It is understood that the greatest contribution to consumer benefit in the period under review resulted from interventions targeting cartels.

Table 8: The Breakdown of Benefits Obtained during the 2023-2024 Period on the Basis of Each Decision Type (Conservative Scenario)

2023- 2024 Period	Estimated Total Benefit	Average Annual Benefit
Cartels and RPM	73.39 billion TL	36.69 billion TL
Abuse of Dominant Position	1.06 billion TL	534 million TL
Mergers/Acquisitions	2.96 billion TL	1.48 billion TL
Total	77.42 billion TL	38.71 billion TL

(53) As previously noted, the figures presented above are considered to represent *a lower limit* of the benefits delivered to consumers through the TCA's interventions during the relevant period. In earlier impact analysis studies, the estimated annual total benefit values for the 2014–2022 period under the conservative scenario, together with the consumer benefit estimates calculated under the same scenario for the 2023–2024 period in the present study, are presented below in Table 9 in U.S. dollar terms comparatively.

Table 9: The Breakdown of Benefits Obtained during the 2024-2014 Period on the Basis of Each Year (Conservative Scenario -USD)

Year	Annual Estimated Total Benefit
2024	825 million
2023	1.63 billion
2022	935 million
2021	4.23 billion
2020	296 million
2019	301 million
2018	60 million
2017	142 million
2016	232 million
2015	31 million
2014	125 million

3.2.2. OECD Assumptions

(54) In this section, the calculations carried out in line with the methodology recommended by the OECD for the impact analysis study will be presented. At this point, it is considered useful to first set out in tabular form the assumptions adopted by taking into

account OECD recommendations regarding the price increase rate and the potential duration of the price increase for each type of decision.

Table 10: OECD Methodology Assumptions According to Decision Types

	Cartels and RPM	Abuse of Dominant Position	Mergers/ Acquisitions
Price Increase	10%	5%	3 %
Duration (year)	3	3	2

(55) When the effects of the relevant decisions are calculated using the assumptions recommended in the OECD's guideline, which, in light of academic studies, are considered highly reasonable, it becomes clearly evident how significant a role the TCA plays in enhancing consumer welfare.

Table 11: Estimated Total Benefit to Consumers Provided by the Interventions of the TCA during the 2023-2024 Period (According to OECD Methodology)

Year	Estimated Total Benefit
2023	128.57 billion TL
2024	83.65 billion TL
Total (2023- 2024)	212.23 billion TL
Average (2023- 2024)	106.11 billion TL

(56) **When the 2023–2024 period**, that is, **the past two years** as a whole, is evaluated, the estimated benefit provided to consumers as a result of the TCA's activities amounts to an annual average of **106.11 billion TL** and a total of **212.23 billion TL**. It is understood that the estimated annual average benefit calculated for the 2023–2024 period is significantly higher, in nominal terms, than the estimated annual average benefits calculated in previous studies.

Table 12: The Breakdown of Benefits Obtained during the 2023-2024 Period on the Basis of Each Decision Type (According to OECD Methodology)

2023-2024 Period - Relevant Decisions	Estimated Total Benefit	Average Annual Benefit
Cartels and RPM	182.52 billion TL	91.26 billion TL
Abuse of Dominant Position	12.75 billion TL	6.37 billion TL
Mergers/Acquisitions	16.94 billion TL	8.47 billion TL
Total (2023- 2024)	212.23 billion TL	106.11 billion TL

(57) Similar to the results obtained under the conservative scenario, the calculations performed in accordance with the OECD methodology also indicate that the greatest

contribution to consumer benefit during the period under review arose from interventions targeting cartels and similar types of agreements.

(58) To enable comparisons with the values derived from previous impact analysis studies, the consumer benefits calculated in light of the assumptions recommended by the OECD are presented in Table 13 in U.S. dollars for each year within the 2014–2024 period.

Table 13: Estimated Total Benefit to Consumers Provided by the Interventions of the TCA during the 2014-2024 Period (According to OECD Methodology - in USD)

Year	Annual Estimated Total Benefit
2024	2.36 billion
2023	4.35 billion
2022	2.37 billion
2021	10.73 billion
2020	820 million
2019	844 million
2018	803 million
2017	734 million
2016	357 million
2015	181 million
2014	3.80 billion

3.2.3. The Comparison of the Results Obtained from the Studies Related to the Periods 2017-2018, 2019-2020, 2021-2022 and 2023-2024

(59) In this section, it is considered useful to present a table that enables a consolidated comparison between the results obtained in previous studies for estimating the measurable consumer welfare effects of the TCA's activities for the periods 2017–2018, 2019–2020, and 2021–2022, and the results reached in the present study for the 2023–2024 period. In this context, Table 14 below presents, without distinguishing between decision types, the estimated total benefits and average annual benefits calculated in the studies under both the conservative scenario and the OECD assumptions in U.S. dollar terms, according to the respective analysis periods.

Table 14: The Results Obtained from the Impact Analysis Studies Related to the Periods 2017-2018, 2019-2020, 2021-2022 and 2023-2024 (USD)

Conservative Scenario							
2023-2024		**2021-2022**		**2019-2020**		**2017-2018**	
Year Aver.	**Total**	**Year Aver.**	**Total**	**Year Aver.**	**Total**	**Year Aver.**	**Total**
1.23 billion	2.46 billion	2. 58 billion	5.16 billion	299 million	598 million	101 million	202 million
OECD Scenario							
2023-2024		**2021-2022**		**2019-2020**		**2017-2018**	
Year Aver.	**Total**	**Year Aver.**	**Total**	**Year Aver.**	**Total**	**Year Aver.**	**Total**
3.36 billion	6.72 billion	6.55 billion	13.10 billion	832 million	1.66 billion	769 million	1.53 billion

Chart 2: The Breakdown of Benefits Obtained during the 2024-2014 Period on the Basis of Each Year (Conservative Scenario -USD)
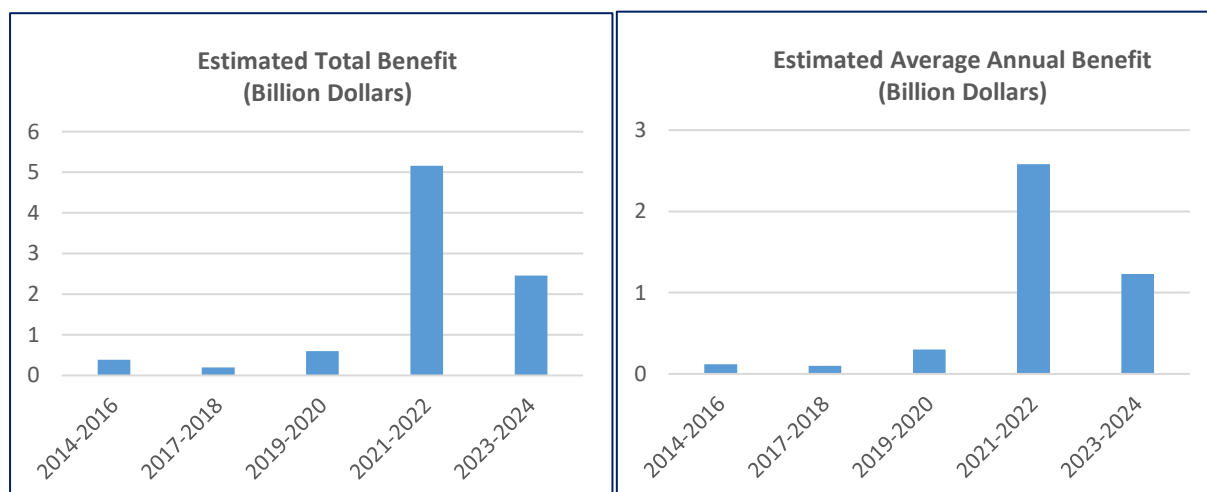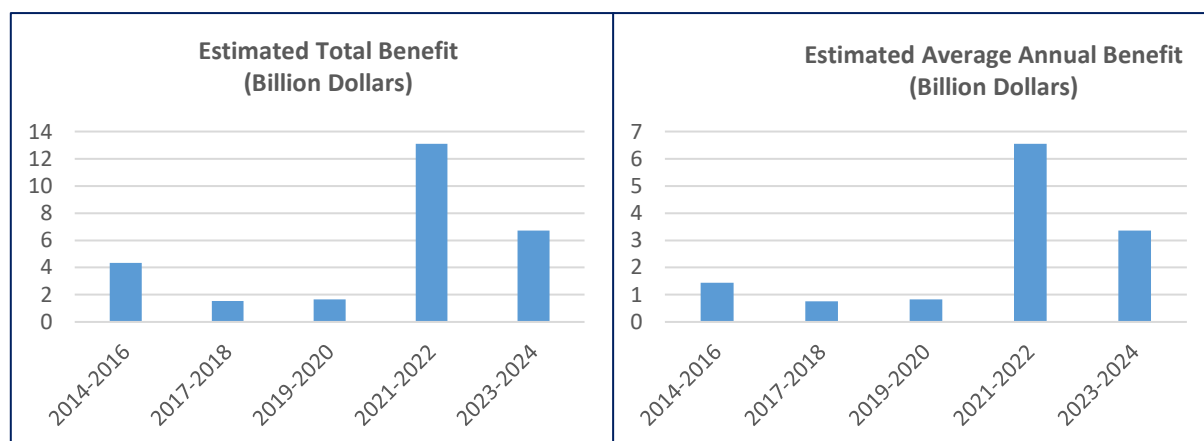

Chart 1: Estimated Benefit to Consumers Provided by the Interventions of the TCA during the 2014-2024 Period (According to OECD Methodology - in USD)

3.3. EVALUATION OF BENEFIT-COST RATIO WITH RESPECT TO THE COMPETITION AUTHORITY

(60) Competition authorities that conduct impact assessments may calculate benefit-cost ratios in order to demonstrate more concretely both the magnitude of the benefits delivered to consumers and their institutional performance. For example, in the 2023–2024 impact assessment of the UK competition authority CMA[35], it is reported that the direct benefits provided to consumers through interventions across all areas of activity[36] amounted to 23 times the authority's costs.

(61) Similar comparisons are also carried out by the FTC in its annual performance reports. A review of the FTC's Performance Report for the Fiscal Year 2024 and its Annual Performance Plan for Fiscal Years 2024–2025[37] show that, under the agency's strategic objective of "Protecting Competition,"[38] the benefits provided to consumers through its merger control and other enforcement activities were equivalent to 38.20 times the resources allocated to these interventions in 2022, and 35.70 times in 2023.

(62) When a similar comparison is made for the TCA's activities during the 2023–2024 period, it is understood that the estimated annual average benefit calculated under the conservative scenario (38.71 billion TL) corresponds to **37.59** times the TCA's annual average budget expenditure[39] for the relevant period. When the estimated annual average consumer benefit calculated in accordance with the OECD methodology (106.11 billion TL) is taken into account, the resulting benefit amounts to approximately **103.02** times the budget expenditure. The same ratios for the periods 2014–2016, 2017–2018, 2019–2020, and 2021–2022 were measured as 5.5 and 51; 6.28 and 50.75; 15.8 and 44; 37.59 and 103.02; and 82.06 and 208.07 times, respectively.

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[35] CMA Impact Assessment 2023 to 2024

[36] In addition to the interventions targeting anticompetitive agreements between undertakings, abuse of dominant position and anticompetitive mergers/acquisitions, benefits provided to customers through the activities regarding the protection of consumers and market inquiries are also estimated.

[37] Federal Trade Commission Annual Performance Report for Fiscal Year 2024 and Annual Performance Plan for Fiscal Years 2024 to 2025.

[38] This strategic objective encompasses interventions against anticompetitive practices and mergers/acquisitions that harm competitors, initiatives aimed at raising awareness about the benefits of competition and collaborations established with domestic and international partners to foster and protect competition.

[39] 2024 budget was used in nominal terms while 2023 budget was used after being adjusted by taking the inflation rate into account.

4. CONCLUSION

(63)   As a result of this study, which aims to estimate the impact of the TCA's activities on consumer welfare for the 2023–2024 period, it is estimated that even under highly **conservative assumptions**, the TCA's activities enabled consumers to save **averagely 38.71 billion TL per year**, while according to **the OECD methodology**, this benefit reached an annual average of **106.11 billion TL.**

(64)   In light of these calculations, it is observed that the benefits generated correspond to **37.59** times the TCA's average annual budget expenditures for the relevant period under the conservative scenario, whereas the benefits calculated in light of the OECD methodology amount to approximately **103.02** times the budget expenditures.

(65)   These impact analysis studies enable the monetary quantification of the effects of the Competition Board's decisions and allow for the monitoring of institutional performance in line with the principles of transparency and accountability. In addition, they constitute an important competition advocacy tool for relevant stakeholders as they also demonstrate the critical role of the TCA in the economy. In this regard, it is considered beneficial to conduct impact analysis studies at intervals of two years at most.