

OECD MERGER WORKSHOP

For the KPPU, Jakarta, Indonesia

November 27-29, 2007

Indonesia is in the process of enacting merger regulations. After the regulations become effective, the KPPU will begin merger enforcement. This workshop is designed to train staff in preparation for merger enforcement. The program focuses on practical issues, such as investigative plans, interviewing techniques, the use of documents and recommendations to the decision maker. The teaching will be done largely through a hypothetical case and role playing by KPPU staff. In addition, there will be lectures covering the framework for analyzing horizontal mergers.

Advisors: Arnie Celnicker, formerly with US DOJ and US FTC
 Karin Lunning, Swedish Competition Authority
 Osamu Igarashi, Japan Fair Trade Commission

November 27

- 9:00 Introduction to Course and Instructors
- 9:15 Lecture -- Overview of Merger Law and Economics (Karin Lunning)
 - Types – Horizontal, Vertical and Conglomerate
 - Standard Horizontal Merger Analysis in Brief --
 - Market Definition and Concentration
 - Unilateral and Coordinated Effects
 - Entry
 - Efficiencies and Failing Firm
 - Remedy
- 10:15 Break
- 10:30 Indonesian Merger Law and Proposed Regulations (Arnie Celnicker)
- 11:00 Lecture – Investigative Tools and Investigation Plan (Arnie Celnicker)
- 11:45 Introduction to Pumps Hypothetical (Arnie Celnicker)
- 12:00 Presentation by Representative of Merging Parties to KPPU
- 12:15 Lunch
- 1:15 Discuss Investigation Plan for Pumps (Arnie Celnicker)
- 1:30 Lecture -- How to Conduct an Interview (Arnie Celnicker)
- 2:00 Discuss Goals of Customer Interviews (Arnie Celnicker)

- 2:15 Three Groups – Interview Customers
- 3:15 Break
- 3:30 Compare Notes, Discuss What We Learned, and Update Investigative Plan (Arnie Celnicker)
- 4:00 Lecture -- Market Definition and Concentration (Osamu Igarashi)

November 28

- 9:00 Lecture -- Unilateral and Coordinated Effects, and Entry (Karin Lunning)
- 10:00 Discuss Goals of Competitor Interviews (Osamu Igarashi)
- 10:15 Break
- 10:30 Three Groups – Interview Competitors
- 11:30 Compare Notes, Discuss What We Learned, and Update Investigative Plan (Karin Lunning)
- 12:00 Lunch
- 1:00 Lecture -- Efficiencies, Failing Firm and Other Defenses (Osamu Igarashi)
- 2:00 Discuss Goals of Interviews of Merging Parties (Karin Lunning)
- 2:15 Three Groups -- Interview Merging Parties
- 3:15 Break
- 3:30 Compare Notes, Discuss What We Learned, and Update Investigative Plan (Osamu Igarashi)
- 4:00 Lecture – Remedies (Arnie Celnicker)

November 29

- 9:00 Three Groups -- Prepare to Present Recommendations to Government Decision Maker
- 10:15 Break

10:30 Each Group Presents Recommendations

11:15 Decision

11:30 Closing Remarks (All)

Note: In the afternoon, the advisors will meet with individuals or small groups to discuss any issues and matters that KPPU staff would like to discuss. In addition, we will do final preparation for outreach program on November 30.