

The OECD-Korea Policy Centre, Competition Programme

## Antitrust Workshop for the Ministry of Commerce, People's Republic of China

On

## Quantitative Methods in Horizontal Merger Analysis

*Sponsored by*

OECD-Korea Policy Centre, Competition Programme,  
with the Asian Development Bank

Xi'an, China, 15-17 October 2008

### Seminar Overview

This seminar aims to familiarize front-line competition enforcers with the fundamental economic underpinnings and quantitative techniques of horizontal merger analysis. Day 1 focuses on basic economic theories underlying merger policy and how simple quantitative tools can help competition enforcers to delineate markets. Day 2 continues with discussions of developing and using quantitative evidence, and includes several case studies illustrating the use of quantitative methods in actual cases. Day 3 focuses on statistical concepts and techniques used to demonstrate harm in merger settings, focusing on more sophisticated econometric approaches that are used in competition enforcement when appropriate data are available.

### Seminar Agenda

<b>Wednesday, October 15th – Quantitative Methods in Market Definition and Basic Theories of Merger Harm</b>
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| 9:00-9:10   | <b>Welcome and opening remarks from MOFCOM</b>  |
| 9:10-9:20   | <b>Welcome from OECD-Korea Policy Centre:</b> <i>Mr. Jai-un YU, Director, OECD Korea Policy Centre, Competition Programme</i> |
| 9:20-9:30   | <b>Welcome from ADB</b>   |
| 9:30-9:50   | <b>Introductions and Photo Session</b>  |
| 9:50-10:35  | <b>Use of Quantitative Methods in Merger Enforcement, Overview:</b> <i>Mr. Eric Emch, OECD</i>                                |
| 10:35-10:45 | <i>Break</i>  |

- 10:45-12:15     **Quantitative Methods in Market Definition:** *Ms. Danielle WOOD, ACCC*
- 12:15-1:30     *Lunch*
- 1:30-2:00     **Case Study on Market Definition:** *Ms. Danielle WOOD, ACCC*
- 2:00-2:45     **Merger Theories of Harm – Unilateral Effects:** *Mr. Eric EMCH, OECD*
- 2:45-3:00     *Break*
- 3:00-3:45     **Merger Theories of Harm – Coordinated Effects:** *Mr. Eric EMCH, OECD*
- 3:45-4:45     **Basic Quantitative Tools – Critical Loss, Margins, and Diversion Ratios:**  
*Mr. Tor WINSTON, USDOJ*
- 4:45-5:30     **Elasticity Methods in Merger Analysis:** *Mr. Wu Hanhong, Renmin University of China*

**Thursday, October 16<sup>th</sup> – Developing and Using Quantitative Evidence**

- 9:00-10:00     **Case Study: Quantitative Methods in a Supermarket Merger:** *Mr. Sang-Min SONG, KFTC*
- 10:00-10:45    **Survey Design and Use:** *Mr. Nenad NJEGOVAN, UK Competition Commission*
- 10:45-11:00    *Break*
- 11:00-12:15    **Case Study: Quantitative Methods in a Software Retailer Merger:** *Mr. Nenad NJEGOVAN, UK Competition Commission*
- 12:15-1:30     *Lunch*
- 1:30-3:00     **Basic Statistics in Competition Policy Work:** *Mr. Tor WINSTON, USDOJ*
- 3:00-           **Tour of Xi'an and Dinner**

**Friday, October 17<sup>th</sup> – Econometric Methods for Assessing Merger Effects**

- 9:00-10:30     **Basic Linear Regression Theory:** *Mr. Dan HOSKEN, USFTC*
- 10:30-10:45    *Break*
- 10:45-12:30    **Linear Regression – Case Examples:** *Mr. Dan HOSKEN, USFTC*

12:30-1:30	<i>Lunch</i>
1:30-2:30	<b>Event Probability Study - With Reference to the Staples-Office Depot Merger Case:</b> <i>Mr. LIN Ping, Lingnan University HongKong</i>
2:30-3:30	<b>Basics of Merger Simulation:</b> <i>Mr. Eric EMCH, OECD</i>
3:30-3:45	<i>Break</i>
3:45-4:45	<b>Merger Simulation – Case Example:</b> <i>Mr. Eric EMCH, OECD</i>
4:45-5:00	<b>Closing Remarks</b>