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

**Global Forum on Competition**

**THE INTERFACE BETWEEN COMPETITION AND CONSUMER POLICIES**

**Contribution from Costa Rica**

-- Session IV --

*This contribution is submitted by Costa Rica (COPROCOM) under session IV of the Global Forum on Competition to be held on 21 and 22 February 2008.*

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## THE INTERFACE BETWEEN COMPETITION AND CONSUMER POLICIES

-- Costa Rica --<sup>(\*)</sup>

**1. *How does consumer policy interact with competition policy in your country, if at all? Can you give examples where they have conflicted? Where have they been complementary?***

1. Political Constitution of Costa Rica, through Article 46, implements the protection of competition and consumers. This article is the constitutional base of “Law of Promotion of Competition and Effective Defense of Consumer”, known as Law N. 7472.

2. The purpose of Law N.7472 is to protect in an effective manner the rights of consumers and at the same time it promotes the process of competition and free concurrence. In order to carry out their objectives the Law created two different organisations: Commission for promotion of competition (COPROCOM) and National Consumer Commission (CNC).

3. COPROCOM is responsible for competition policy and CNC is liable for consumer policy. Each commission works independently and has specific tasks to achieve their goals; however, there are no conflicts between both fields and rather competition policy has a relation directly with consumers.

4. COPROCOM is the institution in charge of analysing all practices that obstruct or restrict the competition among economic agents; in such way competition promotes that enterprises compete with each other and increase quality, variety and decrease prices of products and services. In this sense COPROCOM gives the opportunity to consumers to choose between different alternatives for goods and services without monopolies or other restrictive trade practices.

5. In conclusion, Law N.7472 introducing a set of principles and standards which define and consolidate the legal framework that tries to complement both policies, competition and consumer.

**2. *What do you feel are the benefits and drawbacks to your own country’s choice of “dual-function” or “separate agencies” for handling competition and consumer policy?***

6. As it was previously mentioned, each commission takes their decisions in an autonomous way; this independence promotes a transparency and an efficient system that contribute to the success of goals of each agency.

7. In the same way, an independent budget guarantees that each commission has the freedom to distribute their resources according to their priorities and necessities.

8. In addition, there is an excellent communication and coordination between COPROCOM and CNC, and this situation makes it easy to promote specific activities or policies when necessary.

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<sup>(\*)</sup> This contribution is submitted by COPROCOM (Comisión para la Promoción de la Competencia). The full original document is available in Spanish upon request. If you are interested, please contact COPROCOM in Costa Rica.

9. On the other hand, occasionally people do not understand that commissions are different, although there is only one Law and sometimes people confuse COPROCOM and CNC.

**3. *Has your country required that “no frills” versions of complicated products be offered, to help vulnerable consumers? If so, who provided the product and how was its supply enforced? What was the effect on competition, if any?***

10. In a general way, the company’s products have to comply with different regulations or standards of quality. The objective is to protect the health, safety of people and legitimate interests of consumers. In this sense, in Costa Rica there are 277 technical regulations in the food area and approximately 155 for non-food products, as well as institutions such as the Ministry of Health, the Ministry of Economy, the CNC and others work towards ensuring that these policies get fulfilled.

11. CNC has done some researches about misleading advertising, specific promotions, cellular mobile telephony, and others. Also, CNC has been doing publications such as “*Regulation on Information and Publicity*”.

12. Finally, these kinds of regulations are out of the responsibilities of COPROCOM and our agency respects the opinion of institutions in charge of these topics.

**4. *Can you identify areas where a better convergence of both competition and consumer policies globally would be beneficial?***

13. Law N.7472 provides a legal framework that integrates competition and consumer policies, and education is an ideal complement for this legislation.

14. A thorough knowledge of the subject provides to create competition and consumer culture. In this way a good education generates synergies in both fields and an adequate utilisation of resources of each agency.

15. As a final point, Law N.7472 establishes a set of principles and standards in consumer’s benefit and Costa Rica’s economy in general.

**5. *Can you provide examples of sectors or products where an increased international cooperation between competition authorities and consumers representatives could render the markets more competitive while ensuring an adequate protection of consumers around the globe?***

16. Thanks to the international cooperation agreements that COPROCOM has managed in the last years with countries and institutions such as Spain, Chile, Mexico, Switzerland, the World Bank, Canada and the ICN, we have prepared a bill to amend the competition law in order to strengthen the agency’s faculties and expand its field of application.

17. We have been working in specific markets, such as a Telecommunications, Rice, Gas and Bank; with the objective of eliminating entry barriers and unnecessary regulations that affect markets and consumers.