

OECD-Korea Regional Centre for Competition

Regional Antitrust Workshop

On

Quantitative Methods in Competition Analysis

Jeju Island, Korea, 18-20 June 2008

Seminar Overview

Data analysis forms an important part of modern competition policy enforcement, providing a key input into such exercises as delineating markets, estimating competitive effects, and structuring remedies. This seminar aims to familiarize front-line competition enforcers with some of the more common quantitative tools used in competition analysis. Day 1 focuses on the fundamental concepts that form the basis of much of economic analysis of competition policy: demand and supply conditions in a market and the price-setting mechanism, finishing up with a discussion of quantitative analysis of market definition. Day 2 explores in more depth how to gather, organize and use data, focusing specifically on critical loss analysis. Day 3 introduces some basic statistical concepts and techniques used in investigatory and adjudicatory settings. Participants will be issued a laptop computer and will engage in interactive exercises at the close of most lectures. The objective of the seminar is to give participants a basic level of comfort and understanding of the use of, and limitations of, simple economic tools in competition analysis. Such an understanding is essential for making effective use of data, whether it is analyzed within an agency or presented to an agency by outside parties.

Attending Experts and Participants

China, Indonesia, Japan, Mongolia, OECD, Pakistan, Singapore, Chinese Taipei, United Kingdom, United States, Vietnam

Seminar Agenda

Wednesday, June 18th – Introduction to Quantitative Methods

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| 9:00-9:15 | Introductions and Photo Session |
| 9:15-9:30 | Welcome and opening remarks: <i>Mr. Jai-un YU, Director, OECD Korea RCC</i> |
| 9:30-10:15 | Overview – Use of Quantitative Methods in Competition Enforcement: <i>Mr. Eric EMCH, OECD</i> |
| 10:15-10:30 | <i>Break</i> |
| 10:30-12:15 | Demand, Supply, and Elasticities: <i>Mr. Daniel O'Brien, USFTC</i> |

(1 hour 15 minutes) Theory and Applications

(30 minutes) Exercises

12:15-1:45 *Lunch*

1:45-3:15 **Price Setting under Monopoly and Oligopoly:** *Ms. Kate Collyer, UK Competition Commission*

(1 hour) Theory and Applications

(30 minutes) Exercises

3:15-3:30 *Break*

3:30-5:00 **Market Definition Analysis:** *Ms. Kate Collyer, UK Competition Commission*

(1 hour, 15 minutes) Theory and Applications

(30 minutes) Exercises

Thursday, June 19th – Quantitative Methods, Unit 2: Working with Data

9:00-9:45 **Finding, Gathering, and Organizing Data:** *Mr. Eric Emch, OECD*

9:45-11:15 **Critical Loss, Margins, and Diversion Ratios:** *Mr. Daniel O'Brien, USFTC*

(1 hour) Theory and Applications

(30 minutes) Exercises

11:15-11:30 *Break*

11:30-12:15 **Practical Uses of Data – Some Examples from Japan:** *Mr. Yuji Kimura, JFTC*

12:15-1:45 *Lunch*

1:45- **Tour of Jeju Island and Dinner**

Friday, June 20th – Quantitative Methods, Unit 3: Basic Data Analysis

9:00-10:00 **Variance, Correlation, and Causation:** *Mr. Nathan Goldstein, USDOJ*

10:00-10:15 *Break*

10:15-12:15 **Basic Linear Regression:** *Mr. Nathan Goldstein, USDOJ*
(1.5 hours) Theory and Applications
(30 minutes) Exercises

12:15-1:45 *Lunch*

1:45-3:15 **Basic Linear Regression (continued):** *Mr. Nathan Goldstein, USDOJ*
(1 hour) Theory and Applications
(30 minutes) Exercises

3:15-3:30 *Break*

3:30-4:45 **Basic Merger Simulation:** *Mr. Eric Emch, OECD*
(45 minutes) Theory and Applications
(30 minutes) Exercises

4:45-5:00 **Closing Remarks**