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COMPETITION COMMITTEE

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ANNUAL REPORT ON COMPETITION POLICY DEVELOPMENTS IN COLOMBIA

-- 2013 --

18-19 June 2014

This report is submitted by Colombia to the Competition Committee FOR DISCUSSION at its forthcoming meeting to be held on 18-19 June 2014.

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1. Changes to competition laws and policies, proposed or adopted

1.1. Summary of new legal provisions of competition law and related legislation

1.1.1 Resolution 12193 of 2013

1. This Resolution was issued, among other reasons, to adapt the mergers' review proceedings to Decree 19 of 2012¹ (in particular, modification pertaining to notifications and transparency) and Law 1437 of 2012².

2. In addition, Resolution 12193 of 2013 compiles the provisions of Resolutions 35006 of 2010 and 52778 of 2011, aiming to provide greater clarity for the users, in the context of economic mergers.

3. The mentioned Resolution dispenses unnecessary document requirements for certain operations in merger review proceedings. This Resolution also seeks to encourage the dialogue between the merging parties and the authority (in accordance with the International Competition Network-ICN standards), and establishes certain exceptions to the obligation to notify a merger.

4. In particular, Resolution 12193 of 2013 allows companies to request the SIC to conduct a preliminary hearing in order to resolve the doubts concerning the information that must be submitted, as well as information relating to the obligations of merging parties.

5. If the SIC determines that it is necessary to further review a merger after the preliminary phase (i.e. proceedings that continue to a "second phase"), the parties to the transaction may ask the SIC to allow them not to submit unnecessary information. These provisions allow the applicant to come near with the Agency, but also prevent companies to incur in undue burdens that result from the submission of documents that are not relevant to merger analysis.

6. Moreover, Resolution 12193 of 2013 allows the SIC to require information from third parties (i.e. consumers or competitors), within 30 days after the initiation of the merger study proceedings (phase or pre-assessment), in order to clarify certain issues or concerns that the Authority may have. This allows the SIC to gather more information about the transaction during a preliminary analysis stage, and therefore to deal promptly with transactions that impose no risk to the market.

7. Finally, the new rule clarifies that the merger transaction between companies that are under common control, are exempted from the obligation to notify the transaction. Thus, what matters for purposes of determining whether a transaction should be reported to the SIC, is whether or not the companies operate under the same economic direction, regardless if they constitute different legal entities.

1.2. Other relevant measures, including new guidelines

8. During 2013 no measures or guidelines were issued by the SIC.

¹ This Decree eliminates and amends some regulations, procedures, and processes in order to accelerate the actions of the public administration.

² New Code of Administrative Contentious Proceedings.

1.3. Government proposals for new legislation

9. During 2013, no proposals for new legislation related to competition law were filed before the Colombian Congress.

2. Enforcement of competition laws and policies

2.1. Action against anticompetitive practices, including agreements and abuses of dominant positions

2.1.1. Summary of activities of competition authorities

10. Regarding cases of abuses of dominant position, cartels, and unilateral anticompetitive behaviors during 2013:

- The Superintendence for the Protection of Competition received 596 complaints, 344 of which were closed. It represents decreases of 6.14% and 33.07% in comparison to the complaints that were submitted and closed in 2012 (514 complaints), respectively.
- 190 preliminary inquiries were opened and 22 of them were closed, whereas in the previous year 48 were opened and 27 of them were closed. This represents an increase of 295.83% and a decrease of 18.52% in comparisons to 2012, respectively.
- 13 investigations were initiated and 17 reasoned reports were presented to the Superintendent, whereas in 2012, 18 investigations were initiated and 16 reasoned reports were done. This represents a decrease of 27,78% in investigation openings, and an increase of 6,25% in reasoned reports.

11. During 2013, the Group of Bid Rigging received 77 complaints and closed 35 of them; initiated 3 investigations, and conducted 11 administrative procedures for failures to comply with SIC orders and instructions within bid rigging processes. Besides, 4 investigations that were conducted by this Group led to the imposition of sanctions in favor of the SIC.

12. In total, in 2013 the Superintendence of Industry and Commerce imposed fines equivalent to, approximately, USD\$62.337.959,87 for infringements of competition law.

2.1.2 Description of significant cases, including those with international implications.

- Energy Company of Boyacá –EBSA. Public Utility.

13. By Resolution No. 3694 of February 5, 2013, the SIC imposed a fine of approximately USD\$2.543.868,71 to the Public Utility Boyacá Energy Company –EBSA, and a fine to its CEO, Mr. Roosevelt Mesa Martínez, of approximately USD\$25.231,39. The fine was imposed because the SIC considered that EBSA abused of its dominant position in the market for the distribution and sale of electric energy, in order to increase or maintain market share to the related market of calibration of energy meters.

14. The abusive conduct consisted in a fee charged by EBSA for the approval of details meters information. Considering that EBSA has a monopoly on the electricity distribution network, It decided to charge and additional fee to third parties that decided to calibrate their meters in laboratories others than the ones owned by EBSA. The Authority found that the charge was artificial and unjustified and such imposition hurts importers and distributors of meters, which could also lead to damage the meter retail marketers, as well as the final users of the electricity public service.

15. The conduct violated the provisions of paragraph 6, Article 50, of Decree 2153 of 1992, which qualifies as an abuse of dominant position "to obstruct or prevent others from accessing to the market or to the marketing channels."

- Nule Group-ICBF. Bienestarina.

16. By Resolution No. 54693 of September, 2013, the SIC imposed a fine for bid rigging practices in a public tender that was conducted by the *Instituto Colombiano de Bienestar Familiar-ICBF* in 2007, which purpose was to hire an auditor to the concession contract for the operation of food production plants of high nutritional value, owned by the ICBF. The Superintendence for the Protection of Competition found evidence of a collusive agreement between some of the proponents, to the extent that they distorted the competitive process within the Public Contest, through the deployment of an anti-competitive strategy that sought to achieve the illegal contract award in favor of the NULE GROUP and in detriment of the other bidders. According to the information collected, the companies of the NULE GROUP, presented as independent members of two different consortia in the aforementioned tender, as a strategy to make a collusive agreement that would distort competition for other bidders.

17. This practice represented a violation of the provisions of paragraph 9, Article 47, of Decree 2153 of 1992, which prohibits agreements that "(...) have as object the collusion in public tenders or contests, or which have as effect the distribution of procurement's awards or the fixation of terms in the proposals." The SIC imposed a fine of approximately USD\$1.398.765,45 to the society *Ponce de Leon y Asociados S.A. Ingenieros Consultores en liquidación judicial*; a fine of approximately USD\$1.398.765,45 to the society MNV S.A. en liquidación judicial; a fine of approximately USD\$1.398.765,45 to the society *Bitácora Soluciones, Compañía Limitada en liquidación judicial*; a fine of approximately USD\$1.398.765,45 to Mr. Manuel Francisco Nule; a fine of approximately USD\$1.398.765,45 to Mr. Miguel Eduardo Nule; a fine of approximately USD\$1.398.765,45 to Mr. Guido Alberto Nule; a fine of approximately USD\$140.034.24 to Mr. Antonio José Rodríguez Jaramillo; a fine of approximately USD\$140.034.24 to Mr. Luis Rafael Monterosa Ricardo; and a fine of approximately USD\$140.034.24 USD to Mr. Jorge Luis Betín Rodríguez.

- Nule Group-ICBF. Homes.

18. By Resolution No. 54695 of September, 2013, the SIC imposed a fine for bid rigging practices in a public tender that was conducted by the ICBF, which purpose was to hire the technical and administrative oversight of the following programs: emergency servings; children's breakfasts and nutritional recovery; and supervision of institutions that provide, among others, nutritional assistance, community welfare, children's homes, emergency centers, internees and homes managers.

19. The public process was divided into 6 different macro-regions that were awarded separately, wherein each of the proponents could choose which region to present the offer. The SIC noted that GROUP NULE companies presented independently in the tender, as members of two separate consortia. Thus, even if the companies' formally presented as independent competitors in the market, their purpose was to distort competition and increase the chances for awarding the contracts, as happened in the aforementioned tender.

20. This practice represented a violation of the provisions of Article 1, of Law 155 of 1959, which prohibits all the practices, procedures or systems designed to limit free competition; as well as paragraph 9, Article 47, of Decree 2153 of 1992, which prohibits agreements that "(...) have as object the collusion in public tenders or contests, or which have as effect the distribution of procurement's awards or the fixation of terms in the proposals." The SIC imposed a fine of approximately USD\$1.398.765,45 to the society *Ponce de Leon y Asociados S.A. Ingenieros Consultores en liquidación judicial*; a fine of approximately USD\$1.398.765,45 to the society *Bitácora Soluciones, Compañía Limitada en liquidación judicial*; a fine of approximately USD\$1.398.765,45 to Mr. Manuel Francisco Nule; a fine of approximately USD\$1.398.765,45 to Mr. Miguel Eduardo Nule; a fine of approximately USD\$1.398.765,45 to Mr. Guido Alberto Nule; a fine of approximately USD\$140.034.24 to Mr. Antonio José Rodríguez Jaramillo; and a fine of approximately USD\$140.034.24 to Mr. Jorge Luis Betín Rodríguez.

- Comcel S.A. Mobile Communication

21. By Resolution No 53403 of September, 2013, the SIC imposed a fine to COMCEL S.A of approximately USD\$28.842.638,17 for abusing its dominant position in the market of "Mobile Outgoing Voice", for obstructing the number portability channel through the implementation of a trade policy aimed to prevent the release of terminal equipment of users who wanted to switch networks. Such behavior prevented its competitors from benefiting from the Mobile Number Portability and consequently to use this channel to enter the market.

22. The SIC also decided to impose a further fine to the investigated of approximately USD\$18.105.129,47 for distorting the statistics of Number Portability, affecting the dynamics of marketing channel in the market of "Mobile Outgoing Voice". In this regard, the SIC found that the conduct displayed by COMCEL, restricted free competition in terms of the general prohibition enshrined in Article 1 of the Law 155 of 1959, which prohibits all the practices, procedures or systems designed to limit free competition.

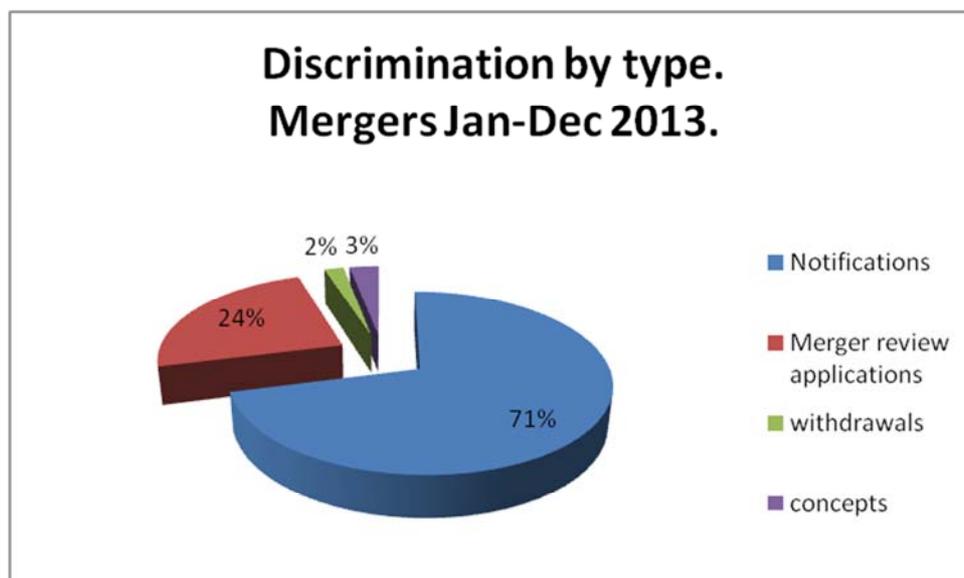
23. Finally, the SIC, ordered to send a copy of the resolution to the Deputy Superintendent for the Protection of Competition, in order to assess whether there is sufficient merit to initiate a preliminary investigation against Juan Carlos Archila Cabal, President of COMCEL S.A, and Hilda María Pardo Hasche, as Legal Vice President of COMCEL S.A., for allegedly incurred in liabilities under Article 26 of Law 1340 of 2009, in the sense of having collaborated, provided, authorized, executed or tolerated violations of competition law.

2.2 Mergers and acquisitions

2.2.1 Statistics on number, size and type of mergers notified and/or controlled under competition laws;

24. Between January and December 2013, the Group of Mergers conducted 143 assessments. This statistic represents a decrease of 14.37% when compared to the 167 that were done in the previous year. From those 143 cases, 102 were notifications, 34 were mergers review applications and the remaining corresponded to withdrawals and concepts. The following chart shows the types of assessments that were conducted by the Group of Mergers during 2013, with their respective participation:

Graphic No. 1:Types of assessment conducted by the Mergers Group – 2013



Source: Group of Mergers

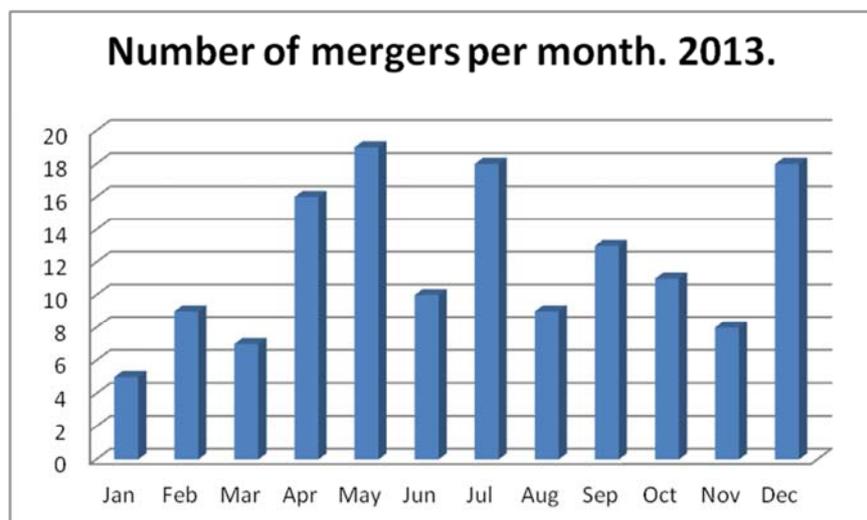
25. The following table shows average response timeframes for each kind of assesment that was conducted by the group:

Table No. 1: Average response times

	Months	Days
Notifications:		2.11 days.
Merger review applications:	1	17 days.
Concepts to the Financial Superintendence of Colombia:		26 days.

Source: Group of Mergers

26. The evolution of all the assessments that were carried out in this Group is illustrated in the following chart:

Graphic No. 2: Assessment carried out by the Mergers Group per month - 2013

Source: Group of Mergers

27. The following table represents the assessments and studies that were done in the Superintendence for Protection of Competition during 2013, according to their category:

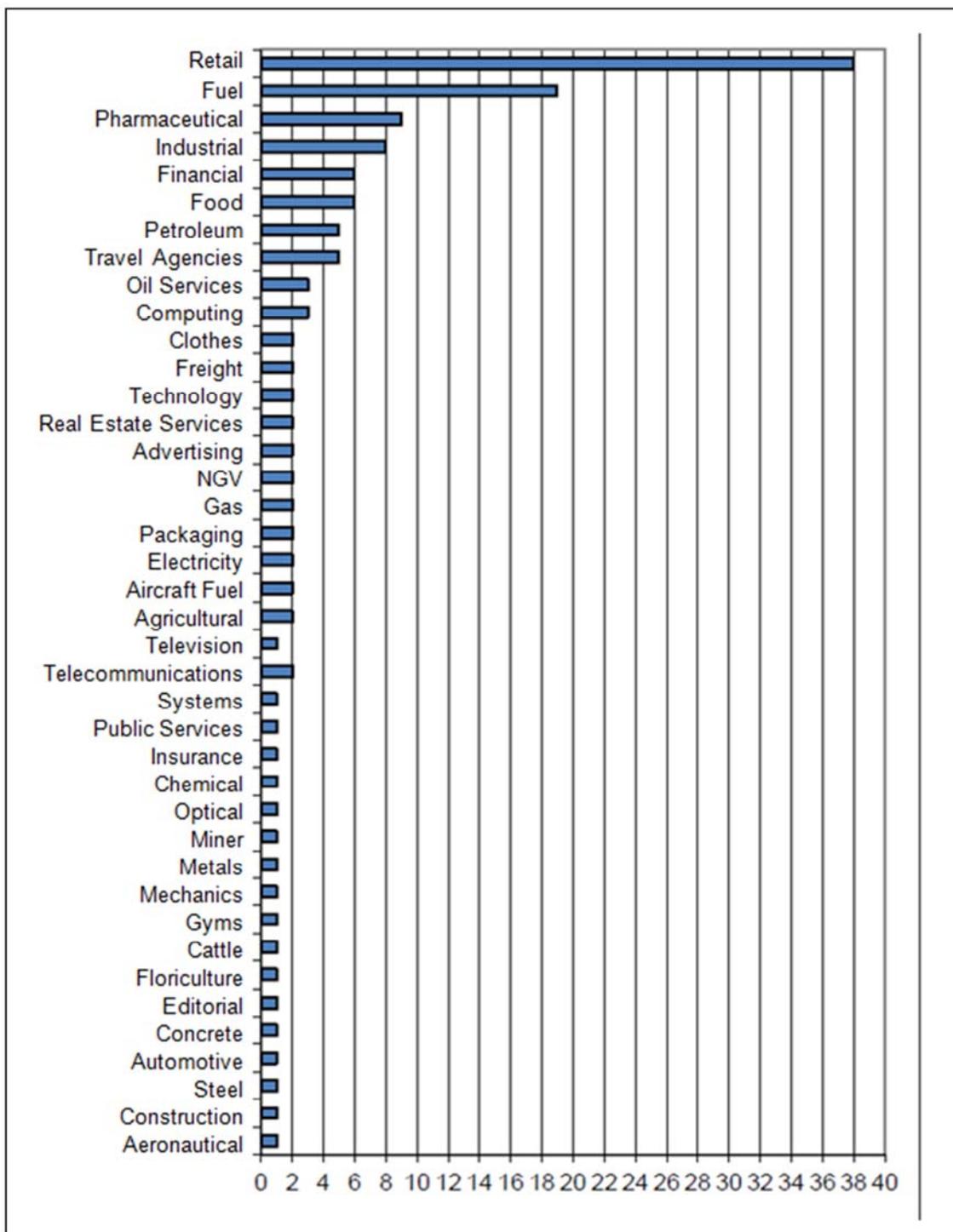
Table No. 2: Summary of Mergers Assessments – 2013

MONTH	Notifications	Merger review applications	Withdrawals	Concepts	Total
Jan	3	2	0	0	5
Feb	4	5	0	0	9
Mar	5	2	0	0	7
Apr	12	4	0	0	16
May	15	3	0	1	19
Jun	8	0	0	2	10
Jul	15	2	1	0	18
Aug	6	2	1	0	9
Sep	8	5	0	0	13
Oct	8	2	0	1	11
Nov	6	2	0	0	8
Dec	12	5	1	0	18
TOTAL	102	34	3	4	143

Source: Group of Mergers

28. The 143 assessments that were conducted during 2013 involved companies of different economic activities, which are presented below:

Graphic No. 3: Number of Mergers by economic activity – 2013



Source: Group of Mergers

2.2.2 *Summary of significant cases.*

• **Notifications:**

29. Some of the most important notifications and merger review applications' processes that were handled by the Group of Mergers during 2013 were:

30. 16. PROMICFC S.A.S and PROMIGAS LTDA; PETRORUBIALES CORP and PACIFIC INFRASTRUCTURE INC; EEXXONMOBIL DE COLOMBIA and DISTRACOM S.A., COMPAÑÍA VENUS COLOMBIANA S.A. with INDUSTRIAS SIA S.A.S and CL SKEEPER S.A.S; RANDOM HOUSE DE BERTELSMANN SE & CO. KGAA and GRUPO PENGUIN DE PEARSON PLC; C.I SUNCHINE LTDA with MYSTIQUE FLOWERS S.A and C.I. MEGA FLOWERS; PARKER DRILING COMPANY INTERNATIONAL LIMITED SUCURSAL COLOMBIA and ITS ENERGY SERVICES COLOMBIA; EXONMOBIL DE COLOMBIA SA. And GRUPO EDS AUTOGAS SAS; COLOMBINA S.A and COMEXA S.A; SOCIEDAD DE SERVICIOS GEIJE S.A.S and ORGANIZACIÓN TERPEL S.A; EMPRESAS PÚBLICAS DE MEDELLÍN EPM and INVERSIONES CRIVASI S.A.S; PUBLICIS GROUPE HOLDINGS B.V. and BOSZ DIGITAL CORP; DISTRIBUIDORA LOS COCHES DE LA SABANA S.A. and INVERSIÓN EN AUTOMOTORES S.A; IBM DE COLOMBIA & CIAS S.C.A and SOFTLAYER TECHNOLOGIES INC; FOX LAPT V L.L.C and PARAMOUNT LAPT V, INC; FERROCARRIL DEL PACÍFICO S.A.S and IMPALA COLOMBIA S.A.S; PACIFIC RUBIALES ENERGY CORP and PETROMINERALES LTDA; GRÜNENTHAL COLOMBIANA S.A and LABORATORIOS BIOGEN DE COLOMBIA S.A; BAXTER INTERNATIONAL INC and GAMBRO AB; FENWAL COLOMBIA LTDA and FRESENIUS KABI COLOMBIA S.A.S; PACIFIC POWER GENERATION CORP and SUSTAINABLE SERVICES INC; MICROSOFT CORPORATION and NOKIA CORPORATION; UNIDROGAS and PHARMASALUDADERO S.A.S, among others.

• **Pre-evaluation:**

31. As for those operations that required a further analysis given its representativeness in the market, this Superintendence highlights the following:

32. ORGANIZACIÓN TERPEL and COMBUSTIBLES DEL CAFÉ LTDA; LABORATORIOS BAXTER S.A. and TECNOQUÍMICAS S.A; SANOFI DE COLOMBIA S.A and GENFAR S.A; SYNIVERSE HOLDINGS INC and WP ROAMING III S.A.R.L; SOLLA S.A. and DISTRIBUIDORA AVICOLA S.A; DIACO S.A and CYRGO S.A; SOCIEDAD INTERAMERICANA DE AGUAS Y SERVICIOS S.A and AGUAS DE LA GUAJIRA S.A E.S.P; MULTIDIMENSIONALES S.A and ECOPACK S.A.S; WHIRLPOOL COLOMBIA S.A.S and INDUSTRIAS HACEB S.A; CHEVRON PETROLEUM COMPANY with EXXON MOBIL DE COLOMBIA S.A and ORGANIZACIÓN TERPEL S.A; OMNICOM GROUP INC and PUBLICIS GROUPE S.A; COLOMBIA TELECOMUNICACIONES (TELEFÓNICA) and COLOMBIA MOVIL (TIGO).

33. It is also important to remark the economic studies conducted by the Agency regarding the mergers between ESSILOR OPTICA INTERNATIONAL HOLDING and SERVIOPTICA S.A.S. - SUPERLENS S.A.S; as well as NESTLE S.A. - PFIZER INC; and the merger between HOLCIM (COLOMBIA) S.A. with CONCRETERA TREMIX S.A.S., which were conditioned by the Authority for considering that the operation would impose an undue restriction to competition.

34. With regard to the financial sector, the Group studied merger operations between SEGUROS COLPATRIA, SEGUROS DE COLPATRIA and CAPITALIZADORA COLPATRIA; as well as the merger operation between BANCO GNB SUDAMERIS and BANCO HSBC COLOMBIA S.A; EULER HERMES LUXEMBOURG HOLDINGS and MAPFRE CREDISEGURO S.A. Moreover, various concepts were sent to the Superintendence of Finance explaining the potential effects on competition that

corporate division of financial entities could generate, such as in the case of BOLSA DE VALORES GLOBAL SECURITIES and AS VALORES.

3. The role of competition authorities in the formulation and implementation of other policies, e.g. regulatory reform, trade and industrial policies

35. As from 2009, the SIC was vested with advocacy competition powers. These powers were established in article 7 of Law 1340 of 2009 and further regulated by Decree 2897 of 2010. Under competition advocacy, the Agency has to render opinions on proposed regulation that may have an impact on competition.

36. In exercise of its advocacy competition powers, in 2013 the SIC rendered opinions on 26 draft regulations, including: Regulations in the energy and gas sector, in the telecommunications sector, in the water supply and sewerage sector, in the transport sector, in the health sector, in public procurement, among others.

37. On this subject, it is worth to remark that the SIC played an important role in the process of 4G spectrum allocation which took place between August 2012 and March 2013.

38. In this process the SIC, serving as advisor to the national government on the protection of competition in the spectrum allocation process, participated in discussions at the Congress of the Republic of Colombia remarking the importance of competition in the telecommunications sector through an economic study produced by the SIC which identified the risks and concerns of the allocation process.

39. This study was an input for two advocacy concepts produced by the Deputy for the Protection of Competition sent to the Minister of Telecommunications, which emphasized the importance of designing a spectrum allocation mechanisms that promotes the entrance of new competitors into the sector that are willing to provide LTE services in Colombia.

40. The recommendations were taken into account, and as a result, two new operators entered to the Colombian communication mobile market, making it more competitive.

4. Resources of competition authorities

4.1 Resources overall (current numbers and change over previous year):

4.1.1 Annual budget (in your currency and USD):

41. The following table presents the Annual Budget of the Superintendence and its Superintendence of the Protection of Competition³:

³ Conversions made at the Market Representative Rate (TRM in Spanish) of December, 2012.

Table No. 3: Annual Budget of the Superintendence – 2013

Year	Annual Budget (USD) of the SIC	Annual Budget (pesos) of the SIC	Annual Budget (USD) of the Superintendence for the Protection of Competition	Annual Budget (pesos) of the Superintendence for the Protection of Competition
2013	49,060,800	94.579.403.185	8,949,441	17.252.731.750
2012*	34,671,525	66.839.767.500	6,324,617	12.193.597.332

*Note: For 2012 the assigned budget for the Superintendence of Industry and Commerce was COP \$72.418.535.000 (USD\$ 40,955,382). The numbers we are presenting in this budget for 2012 is the executed budget at the end of the year.

Source: Planning Office.

4.1.2 *Number of employees (person-years):*

Table No. 4: Number of Employees – 2013

	2008	2009	2010	2011	2012	2013
Lawyers	15	13	17	14	26	23
Economists	10	8	8	10	19	19
Other professionals (accountant, business managers and engineers)	2	2	2	1	5	6
Support Staff (assistants and secretaries)	3	7	3	3	3	4
Contractors (temporal officers)	9	36	5	32	3	6
Total	39	66	35	60	56	58

Source: Deputy Superintendence for the Protection of Competition

4.2. *Human resources (person-years) applied to:*

- Enforcement against anticompetitive practices;
- Merger review and enforcement;
- Advocacy efforts.

Table No. 5: Human Resources within the Superintendence for the Protection of Competition– 2013

		2012	2013	
Enforcement against anticompetitive practices	Group for the Protection of Competition	Lawyers	19	13
		Economists	9	9
		Other prof.	1	1
		Support stf.	1	1
		Contractors	3	6
		TOTAL	33	30
	Group of Bid Rigging	Lawyers	5	5
		Economists	3	3
		Other prof.	2	2
		Support stf.	1	1
		Contractors		
		TOTAL	11	11
	Group of Mergers - Advocacy efforts	Lawyers	2	1
		Economists	7	7
		Other prof.	2	2
Support stf.		1	1	
Contractors		0		
TOTAL		12	11	
Deputy Superintendent office	Lawyers		4	
	Economists		0	
	Other prof.		1	
	Support stf.		1	
	Contractors		0	
	TOTAL		6	
TOTAL		56	58	

Source: Deputy Superintendence for the Protection of Competition

42. From the information provided, it is worth noting that the number of permanent staff working directly with the SIC has increased considerably. Whereas in 2008 the Division for the Protection of Competition had only 15 lawyers and 10 economists as public servants, in 2012 the number rose to 26 lawyers and 19 economists. This staff represents an increase of 73.3% and 90%, respectively. Nevertheless, for the last two years, the number of public servants has remained unchanged.

4.3 *Period covered by the above information:*

43. January – December 2013

5. **Summaries of or references to new reports and studies on competition policy issues**

44. One of the functions of the Group of Economic Studies, GES, corresponds to the production of sector and market reports that serve as input for the prioritization of sensitive and appropriate sectors, in order to facilitate all the administrative actions of the entity, among others, consumer protection, protection of competition, industrial property.

45. The aforementioned reports constitute an input to the formulation of recommendations which support the design and implementation of public policy sectors, as well as for each Superintendence of the

SIC has planning exercises. These studies are available at: <http://www.sic.gov.co/es/web/guest/documentos-elaborados-por-el-grupo-de-estudios-economicos>.

46. Table 6, shows the abstracts of market and sector studies, which were written between January and December 2013.

Table 6: Market and sectorial studies (January -December 2013)

Title	Abstract	Page
The fertilizer sector in Colombia	This study describes the fertilizer sector in Colombia, making a characterization about the international context, an explanation of the supply chain and the major indicators in terms of production, industry performance, trade, as well as the structure and concentration analysis. This study makes important findings that justify a more detailed analysis on a particular set of products and their distribution chain. Although the study estimates the distribution-chain margins in some municipalities in Colombia, the study advocates for a thorough scrutiny of margins in other products and commercial presentations, where margins derived from the distribution activity could lead to a significant price increases.	201
The pesticide sector in Colombia	This paper presents an analysis of the pesticide industry in Colombia. Some variables like international production and consumption of pesticides are considered for the worldwide context. Subsequently, we study the involvement of pesticides in Colombian production structure. Likewise, a regulatory background and the regulated freedom regime are presented. We use a database provided by the Ministry of Agriculture and Rural Development with information between January 2006 and May 2013. These data allowed elaborate an analysis of market concentration and industrial dominance. Similarly we studied the differences between ex-factory price and the retail price	288

Source: GES.

47. Another important study developed by the GES was related to the stabilization fund of sugar prices in Colombia. However, its content has restricted circulation and it is being used as an input in an investigation for anti-competitive practices in the sector. For this reason it is not available for public consultation.

48. Furthermore, Article 191 of Law 1607 of 2012 established that the Superintendence of Industry and Commerce must elaborate two studies per year (biannually) related to the levels "of competition and the existence of failures in the relevant markets, served by financial institutions". These documents must be presented to national government and the Congress. In 2013, the GES prepared and published an official paper that is available at: <http://www.sic.gov.co/es/estudios-remitidos-al-congreso-de-la-republica>. The study objective was to analyze some of the most important data of the financial sector and the credit card market in Colombia between January 2009 and December 2012. The document gives a diagnostic and some recommendation based on financial infrastructure, financial coverage by department, banking, credit products, and disbursements and interest rates by type of credit.

49. Also, the Group of Mergers from the Superintendence for the Protection of Competition is also in charge studying different markets in Colombia. For the year 2013, the mentioned group produced 7 studies

in different sectors. Those studies were edited by the GES and published at: <http://www.sic.gov.co/es/web/guest/1277>. Table 7 shows the title, abstract and authors of each study.

Table 7: Studies produced by the Merger Group during 2013

Title	Abstract	Authors
MARKET ANALYSIS OF MILK AND DAIRY PRODUCTS IN COLOMBIA (2008-2012)	<p>This paper analyzes the behavior of the main economic variables of the dairy sector in recent years. This paper is aimed at identifying the problems and challenges faced by the sector as a result of trade policies adopted by the Government. At the same time, we also tried to identify and describe the actions that are required for the development of the milk supply chain, and identify those actions that should be implemented by the SIC.</p> <p>Among the results of the study, it was found that the dairy industry is not concentrated, and that about 44% of the national milk production is marketed through informal channels. The dairy chain faces diverse problems, in particular the way in which the “whey” and raw milk are commercialized. Within the same chain, the relationship between the producer and gatherer presents difficulties, related to the transparency of negotiations, and the low associativity.</p>	Alejandra Rosalía Jaramillo Londoño and Angélica María Areiza Segura
PLACES OFFERED FOR MEDICAL SPECIALTIES IN COLOMBIA	<p>In this paper we analyze the administrative acts related to the regulation of medical specialties. We consider three specialties: Pediatrics, Radiology and Neurology, using information of graduates between 2007 and 2011. After the economic analysis of the regulatory framework we concluded that the failure in the supply of medical specialists in Colombia could be a consequence of regulations issued by the competent authorities.</p>	Fernán Montoya
RETAIL MARKET OF NATURAL GAS FOR VEHICLES (NGV) IN BOGOTA	<p>The main goal of this study is to understand the market price for natural gas, in order to identify variables and factors that could affect the price of this fuel. Each of the links of the natural gas production chain as well as its corresponding regulatory framework is described in this document.</p> <p>The suggested exercise consisted of two general stages for the price analysis: (i) Based on a random sampling, 80 surveys were conducted in each NGV gas station in Bogota, in order to collect both technical and operational information of each gas station and carry out a descriptive analysis using all the collected information. (ii) Using an econometric data panel, the economic determinants that influence on the NGV price were identified, and finally some considerations regarding market regulation and competition barriers in order to strengthen the NGV retail market were formulated.</p>	José Bernardo García Guzmán and María Helena Pedreros Muñoz
COLOMBIAN PORT SECTOR AND IMPACT OF	<p>The aim of this study is to examine the Port Sector in Colombia, the current situation of the main ports of the country especially the Port of Buenaventura. The study seeks</p>	Fernando Bejarano Morales

<p>PUBLIC POLICIES ON SPRBUN</p>	<p>determine, among others, the impact of a SIC decision to authorize a merger between the Regional Port Society of Buenaventura, Buenaventura Specialized Container Terminal and port operators. To measure this impact the behavior of the indicators associated with efficiency handled by the terminal in the performance of its operations will be considered.</p> <p>In view of the above, information on indicators where the companies anticipated to achieve economic efficiencies in order to assess whether progress was made after the implementation of the merger.</p> <p>Once evidence was found that supported the conclusion that the decision of the Superintendent of Industry and Commerce to authorize the implementation of the Operational Model Integration (MIO) in the Regional Port Society of Buenaventura (SPRBUN) indeed resulted in economic efficiencies (reduction of waiting times for ships arriving to port the port of Buenaventura and an increase of mobilized goods).</p>	
<p>E-COMMERCE IN COLOMBIA</p>	<p>This study seeks to determine the market structure and how has e-commerce developed in Colombia during 2011 and 2012. For such purposes the study develops a complete analysis of the applicable regulatory framework and the problems faced by this sector.</p> <p>Furthermore, the following factors were analyzed: (i) the evolution of internet sales; (ii) the position companies according to their sales; (iii) the advantages created by e-commerce; (iv) identification of barriers to expansion and connectivity; and (v) examination of government policies that seek to promote e-commerce.</p> <p>Finally, the study analyzes and identifies potential problems in competition that may occur or have been taking place in e-commerce.</p>	<p>Diana Restrepo and Carlos Felipe Dovale Marcela and Carlos Felipe Dovale</p>
<p>AIRPORTS IN COLOMBIA (2010-2012)</p>	<p>The study is aimed to understand the structure of the market, it's operative characteristics and the competitive dynamics of airport services market, with the objective of identifying conducts that affect the competition in airports operated by private parties.</p> <p>The study determined which are the country's most important airports, the composition of the country's airport network and government oversight of airport services. In addition, the study identified potential antitrust behaviors,</p>	<p>David Durán Eduardo Preciado</p>

	giving useful information to authorities to monitor and promote competition in all airports in Colombia.		
RETAIL DISTRIBUTION OF LIQUID FUEL IN COLOMBIA (2012)	<p>The study purpose is to identify and analyze the possible relationship between the wholesale and retail distribution of liquid fuels in Colombia. The study makes a diagnosis related to the number of service station operating in the country, fuel sales and the competition in this market.</p> <p>The diesel and regular and premium gasoline segments were analyzed, which allowed to determine the competitive dynamic of the market in Colombia.</p>	Martín Segura	Román

Source: Merger Group.

50. In addition, the GES has among its functions to develop research related to the academic papers that include cross-cutting economic growth, innovation policy and business development, among other policies of national significance. These studies should provide continuous methodological improvements for the efficient development of SIC's institutional aspects and serve as an academic reference relative to the work done by the SIC permanently.

51. The studies are available at: <http://www.sic.gov.co/es/web/guest/estudios-academicos-2013>. Table 8 shows the abstracts of academic papers, which were written between January and December 2013.

Table 8: Academic papers (January and December 2013)

Title	Abstract	Authors
Analysis of Elasticity in Colombian Automotive Market (2009-2011) through a Nested Logit Model	This paper analyzes the behavior of Colombian households in purchasing the purchase of new vehicles and models the performance of the demand for private vehicles in Colombia, between 2009 and 2011. The exercise estimates a Nested Logit model that takes into account the characteristics or attributes of vehicles as determinants of the decision to purchase the vehicle. Finally, price elasticity is estimated in order to analyze the substitutability inside the automotive sector in Colombia.	Dennis Sánchez Navarro
A Methodological Proposal for Second-Degree Price Discrimination: The Case of Multiclass Fees for Trademark Registration in Colombia (2012)	This paper presents a methodological approach to second grade discrimination. The model is applied to the case of multiclass trademark registration fee regarding Colombia's accession to the Madrid Protocol (2011). The proposed methodology is built with the aim of minimizing the negative impact on the firm's total collection ready to make the mechanism of second-degree discrimination. Also, are presented the most important points related to the implementation of the proposal suggested the multiclass trademark registration in Colombia.	Natalia Cantor Vargas, Juan Pablo Herrera Saavedra, Jacobo Alberto Campo Robledo, and Jenny Paola Lis Gutiérrez
Price Elasticity of Demand and its Relevance in Terms of Welfare in a Monopolistic Market *	This document analyzes since a monopolistic situation the effect in terms of consumer welfare derived of changes in the price elasticity of demand. The paper assumes a constant price elasticity of demand function and constant return of scale associated with the seller of the service of good firm. It is found that a greater level of elasticity, greater the level of profits of the monopolistic firm in relative terms to the consumer surplus in	Juan Pablo Herrera Saavedra

	perfect competition.	
Effects of the Monitoring, Control and Regulation Public Policies in the Tobacco Market in Colombia *	The present paper aims to analyze the Tobacco market in Colombia, and determine in it, the effects of public policy regulation, surveillance and control national authorities. Specifically establish what was the economic behavior of the brands and their evolution in terms of efficiency, after the signal given to the market by the National Competition Authority (SIC), by blocking a merger between the two major domestic tobacco companies (Compañía Colombiana de Tabaco S.A. [Coltabaco] and Productora Tabacalera de Colombia Ltda. [Protabaco]), and subsequently by permitting another merger (Protabaco and British American Tobacco South American Limited [BAT]) within the same relevant market.	Jorge Enrique Trujillo Sánchez
Market Concentration and Market Stability Measures: An Application for Excel *	In this paper we attempt to make a compilation of several concentration and stability indexes used in the literature since 1945, showing that while the Hirschman-Herfindahl index and concentration ratio are most commonly used, there are also alternative measures. Likewise, we present two applications in Excel to calculate the different indexes that were identified in the literature	Jenny Paola Lis Gutiérrez
Intellectual Property Management in Organizations. A Review of Recent Literature	This paper makes a review of the literature on the intellectual property management (IPM) in organizations. The sources of the documentation reviewed are Scopus, Emerald, SciELO and SSRN indexed papers. This exploration includes works published from 2003 given that Hanel (2004) developed a comprehensive review of practices in IPM. This paper analyzes the relationship in the literature among IPM, organizations and Universities, as well as some case studies in the United States, China, Japan, Europe and Latin America.	Jenny Paola Lis Gutiérrez
Efficacy and Asymmetries of the Leniency Programs on a Multi-Market Context: An Analysis of the Colombian Case Under the FTA with the U.S. *	This paper analyzes the possible effects of asymmetries in the leniency programs on anti-competitive behavior of agents in multi-market context. In particular, this paper analyzes the Colombian leniency program and compares it with the United States program to identify possible differences between them that could affect the effectiveness of the leniency policy	Dennis Sánchez Navarro

Note: * Studies relating to competition issues.

Source: GES.

52. Likewise, it is the responsibility of the group to present their results and studies in high-level academic institutions and events to socialize the research and studies produced by the SIC. In 2013, presentations were made at events organized by Universidad Nacional de Colombia, Universidad Externado de Colombia, Universidad del Valle, and Universidad Industrial de Santander. All slides are available at: <http://www.sic.gov.co/es/web/guest/presentaciones-en-espacios-de-divulgacion-y-discusion-academica-2013>