

Regional Competition Center for Latin America delivers its first guidelines and sector studies

Alain De Remes La Brely
Banco Interamericano de Desarrollo
&
Paolo Franco Benedetti
Comision Federal de Competencia

The Regional Competition Center for Latin America (or CRCAL by its acronym in Spanish) is a multilateral initiative developed by thirteen competition agencies belonging to Latin America and the Caribbean. The central objective of the CRCAL is to improve competition agencies' technical capacities in the region based on best international practices as a means to enforce competition law in Latin America.

Currently, antitrust authorities in the region face very similar challenges such as opening up to competition important sectors of the economy with monopolist structures, limited technical capacity, scarce economic resources and relatively low levels of cooperation among agencies from different countries and between competition authorities and the judiciary. The central purpose of the CRCAL is to increase coordination and create new channels of communication to address some of these issues. This will become a reality through the development of synergies derived from the exchange of information between competition authorities, by using the best instruments and guidelines that are available to perform competition policy analysis and strengthening the capacities of the regional authorities to use those instruments. The efforts of the Center will also be devoted to generate advocacy on competition issues and to create awareness among civil society, judges and clerks, the media and other key stakeholders on the economic and social benefits of having more competitive markets.

The CRCAL initiated in September 2011 after the signing of the foundational agreement from 13 competition agencies [1]. During its first year of operation, the Center received its funding from the World Bank (WB) to develop three different products: semi tailored-guidelines, sector studies that address common competition problems, and an advocacy program for the dissemination of competition policies and culture in three of the less developed economies in the region. More recently, the CRCAL has received additional resources from the Inter American Development Bank (IDB) that will be used to produce more sector studies and semi tailored guidelines. Moreover, these new funds will also be devoted to the development of a sustainability plan for the Center, a database and webpage for the exchange of information between agencies, and to the organization of two training seminars for judges and clerks on competition issues.

After one year of operation, CRCAL's efforts will be recognized in its first Regional Workshop to be held back to back with the Latin American Competition Forum, which will take place on September 18-20 in Santo Domingo, Dominican Republic. On September the 20th, during a half day session, the Center will be presenting it first results including a guideline entitled "Collaboration among Competitors" written by <u>Dr. Rosa Abrantes-Metz</u>, a sector study on "Competition in Telecommunications" produced by <u>Dr. Martin Cave</u> and a preliminary report by <u>Dr. Massimo Motta</u> on what will become a guideline for "Coordinated effects in Merger Cases".

The event in Santo Domingo only represents the tip of the iceberg for the CRCAL. One additional semi tailored guideline on quantitative techniques for competition analysis, and two more sectoral studies studies—one on competition in supermarkets and in the airline industry— will become available before the end of the year.

In short, the CRCAL aims to become an institutional receptacle of collaborative efforts from all Latin American countries to help improve competition in the region through the use of best international practices, improved coordination and increased exchange of information.

[1] The agencies that signed the original agreement were: Argentina, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Peru, Dominican Republic and Mexico. In the case of Chile, competition issues are divided between the "Tribunal de la Libre Competencia de Chile" and the "Fiscalía Nacional Económica de Chile" counting as two different entities.

Column edited by Alain De Remes La Brely (Banco Interamericano de Desarrollo)

Email: direccioncrc@cfc.gob.mx