

EFFECTIVE IMPLEMENTATION OF COMPETITION POLICY AND LAW

Competition Policy and Free Trade Agreements

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Objectives

LAW DECREE 211

Aimed to “promote and defend the free competition”. Protect competition at all stages of the economic activity.

Entities targeted by law: Any private or public entity could be targeted by law, without exemptions or exclusions.

Scope “... any act, agreement or convention, either individually or collectively, which hinders, restricts or impedes free competition, or which tends to produce such effects...” (Art.3).

Adversarial procedures: Cartels and unilateral abusive conduct.

Non-adversarial procedures: Anticompetitive Mergers.

Dual system: Enforced by the FNE, an independent government agency, and the TDLC, a separated judicial body (where decisions are taken).

Also private enforcement.

General Principles



Maximize Economic Welfare and Economic Efficiency.

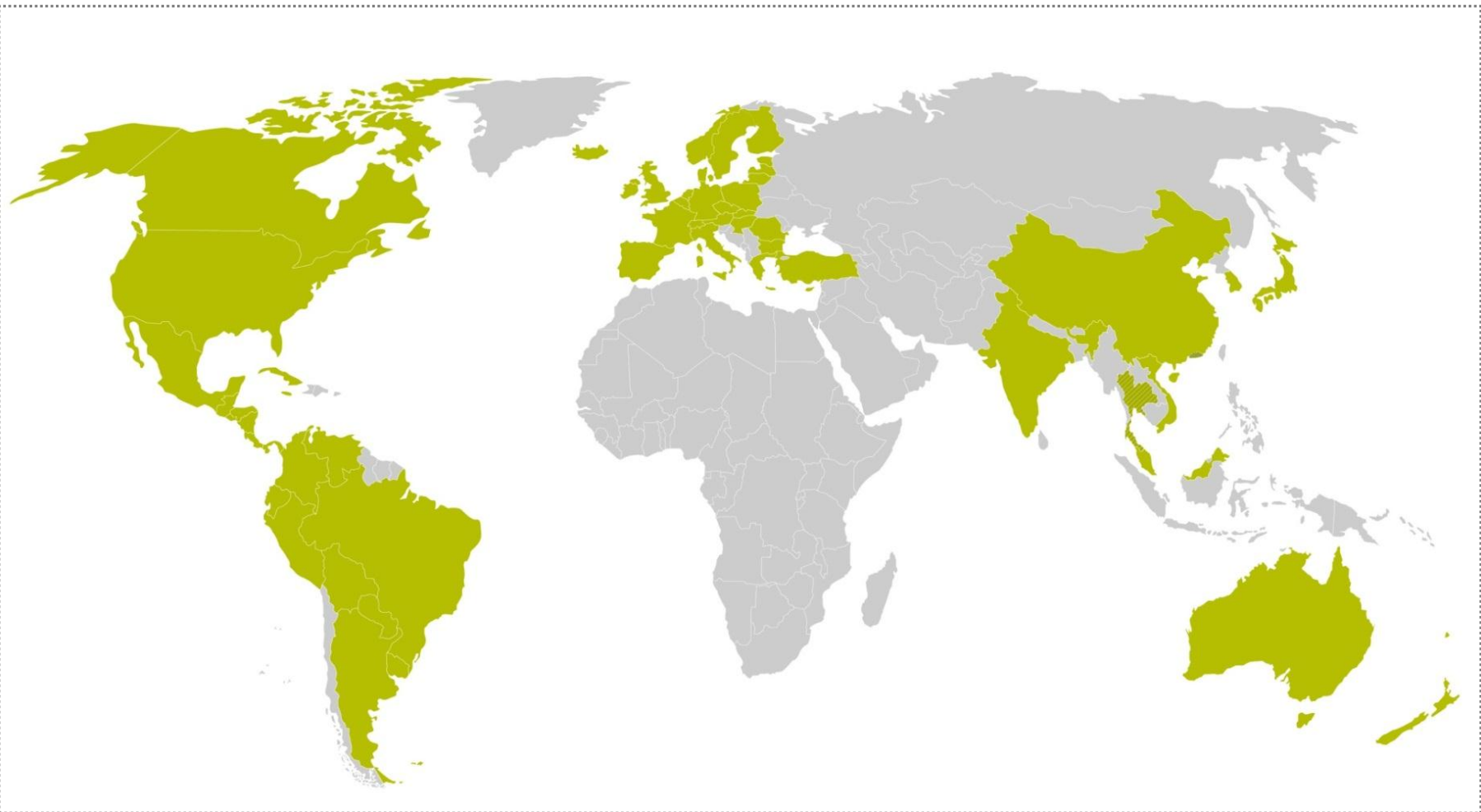
No discrimination between domestic producers (or consumers) and foreign producers (or consumers), neither between market segments. Its main objective is to protect competition itself.

Competition Policy must be applied not only to goods but also to services.

Network of agreements

24 Trade Agreements
with 63 countries

54% with Competition
Policy Chapters



Objectives and Main principles

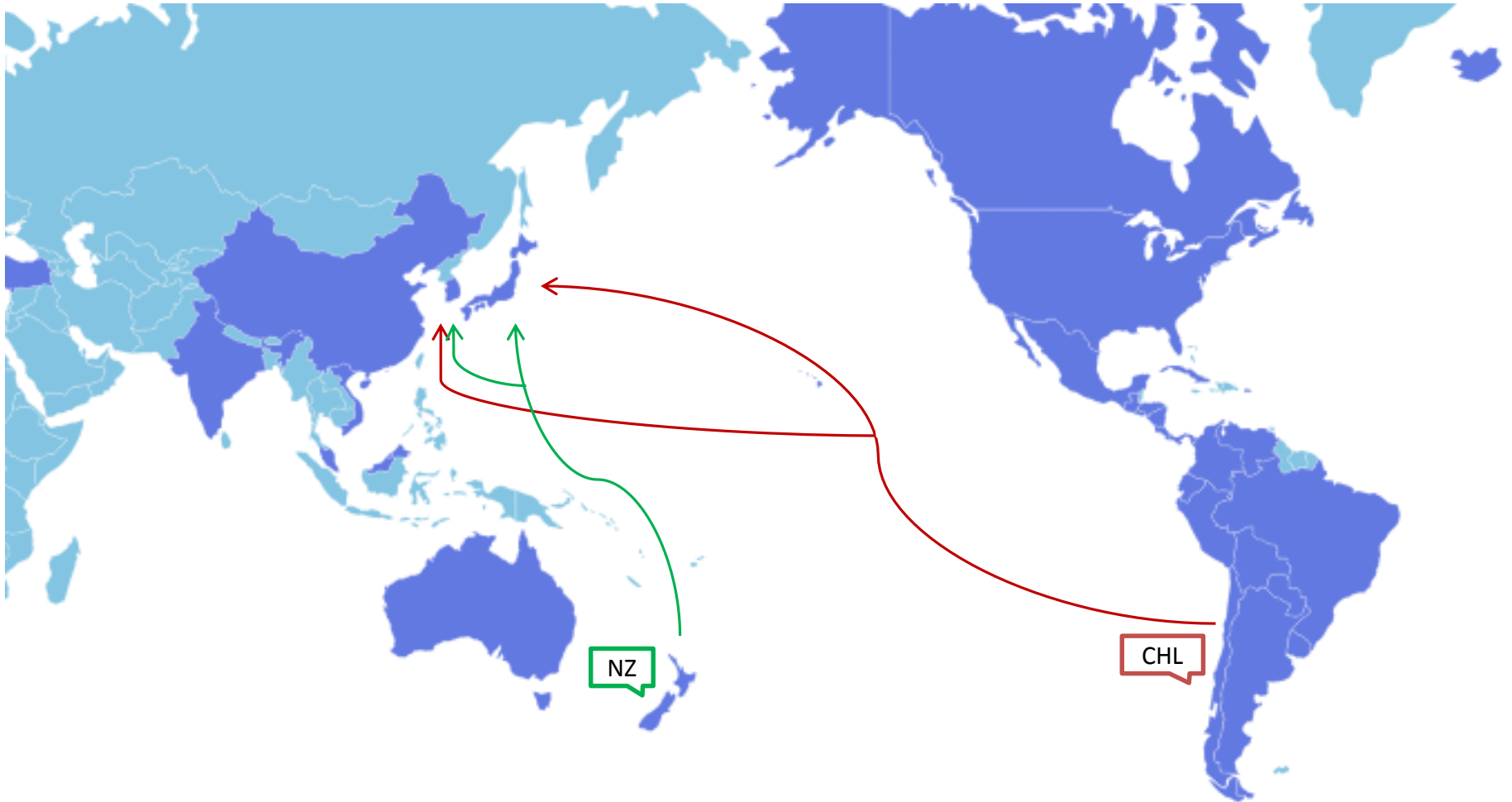
Objectives of Competition Policy Chapters in FTAs are:

- Prevent Anti-Competitive Practices that undermine or cancel out the benefits arising from the Agreement.
- Promote Cooperation and Coordination

Some of the principles in Competition Policy Chapters in FTAs are

- Non-discrimination
- Transparency
- Due Process

Introduction



Third Market Cases

South Korea: Case on abuse of market dominating position of Zespri Group Limited and Zespri International Korea Co., Ltd

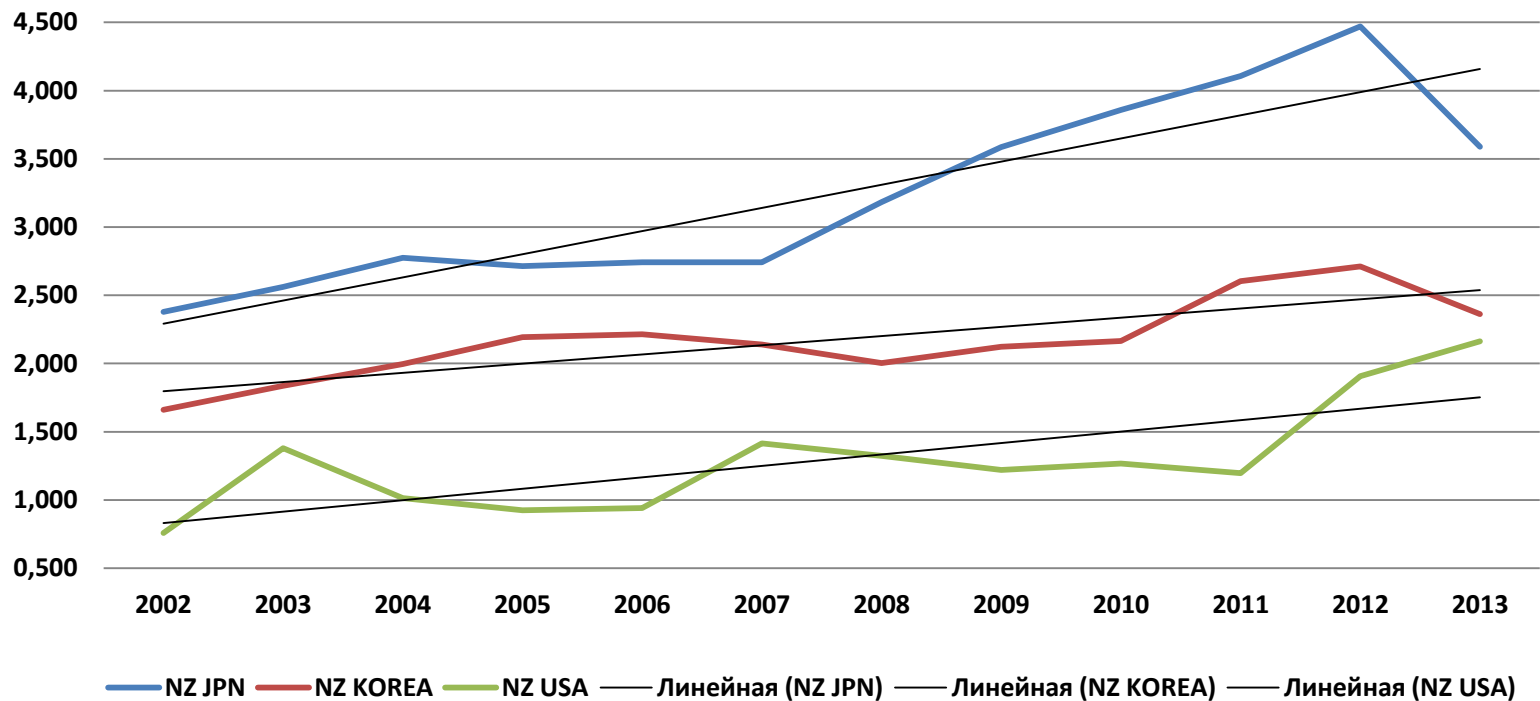
- Recognition of FTA clauses
- Distributor Requisite Agreement: Exclusion of competitor

Japan: pending investigation – more evidence must be provided by the petitioner

- FTA's lack a mechanism to ask for the initiation of an investigation:
Should they include one?

Kiwifruit Prices

New Zealand Kiwifruit import values (US\$/Kg)
at different Markets, since 2002



Concluding remarks

OBJECTIVES

Competition Agency's
independence.

Commercial interests.

Obligations in Free
Trade Agreements.

Thank you!



October 2015
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