



Reducing Governmental Impediments To Capital Mobility

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Competition Advocacy and Governmental Restraints

- Entry and pricing
- State aid
- Bureaucratization
- Anti-takeover legislation



- Prohibit misuse, not possession
- Permit aggressive conduct
- Beware presumptions

Governmental Impediments to Competition: Compulsory Access

- Access requirements discourage:
 - Procompetitive behavior
 - Investment
 - Innovation and intellectual property
- . . . But cause disputes over terms



Governmental Impediments to Competition: Mergers

- Emerging substantive consensus
- Friction only sporadically
- Procedural issues more difficult
 - Most transactions not problematic
 - Systemic and transactional efficiencies
 - Risk of excessive cost and burden



International Competition Network and its Mergers Working Group

- 91 agencies from 81 jurisdictions
- Recommended Practices
- Substantial effort at conformity



- Screen out transactions without appreciable effect
- Significant local

ICN on Mergers: Notification Thresholds

- Clear, understandable, objective
 - Examples: sales and assets
- Not based on market shares
- Not based on transaction value



ICN on Mergers: Initial Notification

- Minimal information to initiate process
- Sensitivity to disproportionate burden
- Flexibility



Conclusion

- Alternative approaches to convergence
- Strengthen regional networks under ICN umbrella
- ASEAN and ACFC as regional network

