

The OECD Regional Center for Competition in Latin America: First Steps and Future Perspectives for the Region

By Paulo Burnier da Silveira | OECD



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Introduction

The OECD Regional Center of Competition (“RCC”) in Latin America is a joint venture between the Peruvian Competition Authority (“INDECOPI”) and the OECD. It was launched in November 2019 in Lima, Peru, and it serves as a training platform in competition matters mostly for civil servants from competition authorities of Latin America and the Caribbean. The beneficiary members of the RCC include more than 25 countries in the region.²

Overview of Activities in 2020

During 2020, the “RCC-Lima” organized four workshops and published two newsletters. The workshops covered the topics of Advocacy, the Health Sector, Cartel Detection, and Market Definition. In total, more than **350 participants** from **26 jurisdictions** across the region attended the events, as indicated below:



This short paper intends to share the main activities of the RCC during its first year, as well as to indicate some perspectives for the future. It also provides an overview of the OECD projects related to competition in Latin America, including those focused on the fight against bid-rigging, competition assessments in key economic sectors, as well as national peer reviews of competition law and practices.

The first workshop of 2020 was dedicated to Advocacy and held on 3-4 March 2020 in Lima, Peru. The event gathered 32 participants from 15 jurisdictions. The program included sessions on the basics of advocacy, competition assessment, market studies, and the fight against bid-rigging. It also invited participants to develop an outline for an advocacy program and plan a market study

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² Argentina, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Jamaica, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay, Venezuela, and other CARICOM countries.

through hypothetical case exercises. The official picture below may give a taste of the atmosphere and discussions:



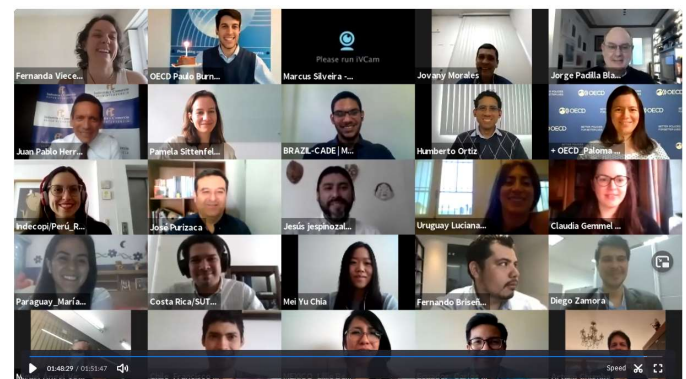
The other workshops were held online due to the travel restrictions related to the Covid-19 crisis. It was both a challenge and an opportunity to continue with the training activities online. A challenge because in-person activities are an important way for people to connect to each other, increasing trust and thus cooperation amongst institutions and civil servants. At the same time, the online mode offered an opportunity to expand the activities of the RCC for a wider audience.

As a result, the second Workshop on the Health Sector gathered around 200 participants during June and benefited from a keynote speech given by Professor Frédéric Jenny, chairman of the OECD Competition Committee. It also had the presence of heads and former heads of agency from Brazil, Chile, Colombia, Peru, Portugal, Uruguay, and the U.S. The Workshop was composed of 10 sessions, with a total duration of 15 hours of training, held twice a day for 1h30 each. The topics ranged from various issues related to competition in the health sector including advocacy, regulation and its specificities in Latin America, anti-cartel enforcement, mergers, abuse of dominance, and a hypothetical case exercise on healthcare mergers. The last two sessions focused on Covid-19 issues and were held in Spanish.

In September, a Workshop on Cartel Detection had 93 participants from 23 jurisdictions. It was composed of 4 sessions, with a total duration of 8 hours of training. The event was opened by Ms. Hania Pérez de Cuéllar, Chairwoman of INDECOPI, together with Antonio Capobianco, Acting head of the Competition Division. The topics of the sessions focused on reactive and proactive tools to detect cartels, in addition to a case exercise based on a hypothetical public procurement with unusual price patterns. A final session with heads of agency discussed cartel detection in times of the Covid-19 crisis (in Spanish). In total, 16 speakers intervened during the workshop, 13 of them from Latin America and the Caribbean.

In November, the RCC hosted a Workshop on Market Definition. It gathered 93 participants from 21 jurisdictions across the region. It was composed of 3 sessions, with a total duration of 8 hours of training. The sessions covered the basics of market definition and country case studies from Brazil, Chile and Mexico, in addition to a hypothetical case exercise and an exclusive session on market definition in times of COVID-19 (in Spanish). In total, 9 speakers intervened during the workshop, 8 of them from Latin America. On the last day, a virtual “happy birthday” was sung to celebrate the 1st anniversary of the RCC, officially launched on November 20, 2019:

Photo from the RCC Workshop on Market Definition (18-20 November 2020)



For 2021, the RCC has organized two workshops: the first on “Introduction to Competition Enforcement for Young Staff” (8-12 March 2021) and the second on “Competition in the Financial Sector” (5-7 May 2021).

The first workshop on “Introduction to Competition Enforcement for Young Staff” provided basic information directed at junior case handlers working in competition authorities. It included practical tips on the everyday duties of case handlers and covered anti-cartel enforcement, merger control, and abuse of dominance. Practical exercises illustrated hands-on issues and enabled participants to meet and discuss common challenges. At the end of each session a list of the 5 top enforcement tips was discussed, and participants voted on the following tips as the most useful for them: “have a plan including a timeline” (Session on Cartels), “understand the business of the transaction and related markets” (Session on Mergers) and “focus first in assessing market power,” which tied with “match a consistent theory of harm with a comprehensive narrative” (Session on Abuse).

The second workshop, “Competition in the Financial Sector,” covered specific features of enforcement for the finance sector, including extensive regulation and concerns about financial stability and systemic effects. The first day included a presentation by the OECD Secretariat to set the scene, then presentations from Costa Rica and Trinidad & Tobago on institutional set-ups, followed by discussions on FinTech and new challenges. The second day was dedicated to enforcement experiences in the region, with presentations by the OECD Secretariat and case studies from the US, El Salvador, Brazil, Chile, and Mexico. The third day focused on advocacy issues, with presentations by the heads of agencies from Brazil, Mexico, Portugal, and Spain.

Another two workshops are planned for 2021: one focused on “Merger Control in Times of Crisis” and another on “Fighting Bid-Rigging.” They are scheduled to take place during 15-17 September 2021 and 17-19 November 2021. They will be open to civil servants from competition authorities of the region.

Other OECD Projects in Latin America

The OECD also has other projects related to competition in Latin America. Some of them are in-country projects and developed bilaterally with countries (generally through the competition authorities), as is the case with country projects on **Public Procurement** and on **Competition Assessment**.

In the field of public procurement, the OECD has been keen to support governments to design public procurement procedures that promote competition and reduce the risk of bid-rigging. This work aims towards the implementation of the OECD Recommendations and Guidelines, and projects with Argentina, Brazil, Colombia, Mexico, and Peru have shown how to improve procurement practices and mechanisms to fight bid rigging.³

As for competition assessment projects, they help governments eliminate barriers to competition by providing a method for identifying unnecessary restraints on market activities and developing alternative, less restrictive measures that still achieve government policy objectives. This methodology is established in the OECD’s Competition Assessment Toolkit, which has been applied in several countries including Mexico, Greece, and Portugal.⁴ The teams are often composed of competition experts and civil servants from the concerned competition authority. These projects review the existing legislation and regulations in selected sectors, and then propose pro-competitive reforms in

³ For further information: www.oecd.org/competition/cartels/fightingbidrigginginpublicprocurement.htm.

⁴ For further information: www.oecd.org/competition/assessment-toolkit.htm.

line with the [OECD Recommendation on Competition Assessment](#) (2009). Brazil currently has an ongoing competition assessment project in the transportation sector.

Another way in which the OECD provides support to countries is through **Country Peer Reviews**. El Salvador has undergone an examination of its competition law and policy in 2019, with the final report launched in November 2020. Ecuador has also volunteered to be peer reviewed by the OECD. The examination phase was held in September 2020, and a final report with recommendations was published in March 2021.⁵ The Peer Reviews are often held during the OECD-IDB **Latin American and Caribbean Competition Forum** (LACCF).⁶

Final Remarks

The “RCC-Lima” completed its first year on 20 November 2020, and it has been a great first year despite the challenges raised by travel

restrictions related to the Covid-19 crisis. During this first year, the RCC has organized four workshops on the topics of Advocacy, Health Sector, Cartel Detection, and Market Definition. They have brought together more than 350 competition officials from the region to build capacity, exchange experiences, and develop mutual trust, which is key to promoting regional cooperation.

The year 2021 is also promising, with training weeks focused on Competition Enforcement for Young Staff, Competition in the Financial Sector, Merger Control in Times of Crisis, and Fighting Bid-Rigging.

Last but not least, the RCC Newsletters published twice a year gather contributions from experts and have a section dedicated to an interview with a head of agency from the region. Readers are welcome to find further news and contact us in case you have any particular questions or suggestions.⁷

⁵ For further information: www.oecd.org/daf/competition/oecd-idb-peer-reviews-of-competition-law-and-policy-ecuador-2021.htm.

⁶ For further information: www.oecd.org/competition/latinamerica.

⁷ For further information: www.oecd.org/daf/competition/rcc-lima-newsletter.htm.