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**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS  
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**Summary of discussion of the Roundtable on Competition policy in the time of Covid-19**

**Annex to the Summary Record of the 133<sup>rd</sup> Meeting of the Competition Committee held on 8-16 June 2021**

15 June 2020

This document is the summary of discussion of the roundtable on Competition policy in the time of Covid-19 held during the 133<sup>rd</sup> meeting of the Competition Committee.

More documentation related to this discussion can be found at  
<https://www.oecd.org/daf/competition/competition-policy-responses-to-covid-19.htm>

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## *Summary of the Roundtable on Competition policy in the time of Covid-19*

On 15 June 2020, the OECD Competition Committee held a roundtable discussion on competition policy in the time of Covid-19, with the purpose of discussing co-operation between competition authorities and other public policy makers in times of crisis. The discussion was chaired by Professor Frédéric Jenny and opened by the OECD Secretary General Angel Gurría. The discussion featured two invited speakers:

- **Janusz Ordover**, Emeritus Professor at the Department of Economics, University of New York and Senior Consultant, Compass Lexecon
- **John Vickers**, Professor of Economics at the University of Oxford, former Chief Economist at the Bank of England and Chairman of the UK Office of Fair Trading

The **Secretary General** presented how the OECD has been supporting its members throughout the COVID-19 crisis. In particular, the organization launched the digital hub on tracking the coronavirus, published over 100 policy briefs in the area of OECD's policy work, organized roundtables, and provided advice to global forum. The Secretary General also noted that the OECD had already had two *ad-hoc* ministerial meetings with Brazil, one with Colombia, one with Costa Rica, one with Slovenia, while the organisation was in the process of preparing such meetings with Italy, Mexico and Korea.

Among the various deliverables, the Secretary General mentioned a policy brief on corporate sector vulnerabilities during the COVID-19 outbreak. Its results showed that, in the absence of state intervention, almost 40% of the surveyed firms would run out of liquidity in France if the lockdown lasted three months or more. Building on this, the Secretary General outlined some of the actions that could be taken on the competition side along several fronts.

First, the Secretary General emphasized that governments needed to respect the principle of competitive neutrality. State support should be based on objective criteria, and apply to all businesses in an industry to maintain a level playing field. Second, competition authorities should not forget about their important role in informing government's exit strategies since it can ensure that exiting from ongoing support measures is done in a way that promotes competition. The third and final point was about digital platforms. The Secretary General highlighted that with the digitalization of societies, their market power will continue to grow. Considering this, competition authorities should be vigilant to ensure these platforms deliver benefits for consumers and economies and for that they need to be a part of the whole of government approach.

The **Chairman** then introduced the discussion, outlining the different options for cooperation between authorities and governments in the context of the COVID-19 crisis. Cooperation could arise in different contexts such as antitrust enforcement or advocacy activities of competition authorities. The **Chairman** outlined the three key elements of cooperation between competition authorities and other parts of government to be discussed in the roundtable. First, the teachings of economic reasoning; second, the teachings of historical experience; and third, the challenges for competition authorities of dealing with massive disruptions on some markets and intense political pressure due to the COVID-19 crisis.

The **Chairman** introduced the first expert speaker, **Professor Janusz Ordover**. Professor Ordover started by acknowledging that OECD member countries had already implemented

multi-faceted and robust response to the COVID-19 pandemic. Professor Ordovery explained that policy makers should not implement significant policy changes in haste for several reasons. First, because the competition regimes are already robust and based on a great deal of accumulated analytical and empirical experience. In addition, changes to enforcement rules that may seem appropriate to face the immediate effects of the crisis may become sticky and therefore produce more harm than good in the long term. Second, changes in enforcement policy should not be confused with changes in outcomes from the regulatory assessment of conduct given the current facts and the likely future stages of competition. There are several reasons why an assessment may have a different outcome depending on the current circumstances. First, because of rivals' exit which may lead to high levels of concentration in certain markets. Second, due to disruption of international trade flows, which means that constraining effects from imports are lessened. Third, because of contraction of demand, the likelihood of entry may be very low and the expectation may be that there will be fewer viable firms.

Professor Ordovery added that it is also possible to imagine a scenario where, because of shrinking demand, there is excess capacity which makes firms more aggressive in fighting for customers. Further, increased concentration may be inevitable and a merger could produce the more efficient matching of productive capacity to available demand. Professor Ordovery noted how this may make the failing firm defense (FFD) particularly relevant in merger cases. The FFD focuses on the impact on the productive assets of the firm. Hence, for the FFD, the emerging parties should be required to demonstrate that, absent the transaction, scarce assets such as know-how, specialized equipment, human capital, R&D capabilities, etc. will be dispersed and their value in the alternative futures will be diminished. It is possible to interpret FFD less narrowly in specific cases where the firms' productive assets are systemically important, but extreme care should be applied to do so. That firms may fail is part of a well-functioning economic system, so the current COVID-19 situation should not be a pretext for permitting concentration increases that will last much longer than the crisis. Indeed, government measures in times of crisis should not be directed at protecting competitors rather than competition.

The **Chairman** introduced the second keynote speaker, **Professor John Vickers**, to ask his views and what he derived from the experience of the 2008 financial crisis.

Professor John Vickers said that he agreed with Professor Ordovery, that competition policy should stand firm, and apply existing principles with existing methods. The long-term changes to the economic context will also depend on how competition policy and competition agencies will shape their actions and their advocacy. Therefore, competition policy needs to be protected against moves to dilute it or force it into retreat, as well as from moves into spheres where it does not belong.

Importantly, the 2008 crisis had a different cause, it emanated from financial sector. First, it led to a big demand shock but not a supply shock. It led to many supply-side implications, but supply in non-financial sector did not stop. Government interventions were primarily to banks and other financial firms. Having started as a liquidity crisis, it became a wide scale solvency one in many countries, which involved some demotion of competition policy. Professor Vickers provided the example of Lloyds Bank and HBOS in the UK where the UK Parliament suspended normal merger control activity to allow this merger to happen. Such action had negative implications – both for financial stability and for competition. Competition policy should not be weakened and demoted during a crisis. There is not necessarily a tension between competition and stability or competition and resilience.

Professor Vickers further emphasized that the current crisis is very different from the 2008 one. Price spikes have occurred due to high demand and low supply of some products.

Some voluntary and some mandatory price caps were imposed and other non-price means were used to allocate scarce resources, with associated suppression of market forces. This makes sense where there are very large externalities in consumption, for instance, to ensure supply to hospitals of necessary goods.

However, for most products it may be best to avoid unnecessary interventions. There are some products where the competitive equilibrium prices have shifted and there are no externalities. The economics of rationing, even from the consumer point of view, can be bad for consumers in aggregate even when there are no supply response issues. Competition agencies should protect the competitive process, and in the future prices might be quite different in some markets from what they have been ahead of the crisis.

Following the experts, a panel of heads of competition authorities (Ms. Aoki - Japan, Mr. Delrahim - US, Mr. Sims - Australia, Mr. Guersent - European Commission, Mr. Tyrie UK) discussed the co-operation with governmental bodies during crises. The **Chairman** commented on the challenges that competition authorities face in trying to convince other parts of the government not to weaken or demote competition policy. The **Chairman** asked how historical events have shaped the cooperation that the competition authority has with the government today and gave the floor to **Japan**, which experienced not only the global financial crisis in 2008, but also the great East Japan earthquake in 2011.

Japan emphasized that a well-functioning competitive market is an essential part of a comprehensive COVID-19 policy for a sustainable economic recovery and social development. Japan noted that its economy was indeed hit by two disasters - the global financial crisis in 2008 and the great East Japan earthquake in 2011. These crisis had national and global repercussions on production and supply chains. One immediate action the Japan Fair Trade Commission (JFTC) took after the earthquake was to publish guidance on cooperation between businesses necessary to cope with the damage suffered by supply chains. This was very effective in restoring factories' functioning quickly. However, not all supply chains required special guidance. In the long term, the JFTC contributed to the post-crisis reconstruction and the transition to the post-disaster society by making sure markets remained very competitive. For instance, the JFTC helped with the deregulation of the electricity market, by issuing advice to the energy agency on how competition could be introduced into the electric power market, and in other markets.

After these two crises, the Japanese government injected significant public funds to bail out businesses that had excessive debts but were expected to contribute to the economy after the crisis. However, two years after the crisis, questions emerged regarding the benefit and effectiveness of such publicly funded bailouts. After review by a study group convened by the cabinet office, the JFTC released guidelines on the concept of public support for revitalization in view of competition policy. Three basic principles in the guidelines are: public support should complement private efforts, it should be minimal and necessary, and there should always be transparency in the funding process.

The **Chairman** subsequently gave the floor to the countries where the cooperation between competition authorities and other parts of governments was geared towards providing an immediate response to the crisis in the short run and therefore asked the **US Department of Justice (DoJ)** how it approached the issue of cooperation with other government agencies in the crisis.

The US DoJ stated that crises like the COVID-19 often require governments to consider bold unprecedented interventions in the economy and daily lives. The DoJ reported that the Antitrust Division engaged with other components of the Department of Justice including various US Attorney's Criminal Division, Civil Division and other federal agencies in the United States in responding to the pandemic crisis. The DoJ also established a task force to

coordinate investigations into anti-competitive conduct, such as price gouging, with different staff of the DoJ and federal prosecutors across the country. The DoJ also highlighted that they worked with the Federal Trade Commission to communicate clearly with the public about how the crisis would not impact merger reviews, and other conduct investigations as well as with the Department of Health and Human Services to develop voluntary guidelines under the Defense Production Act.

The DoJ further cooperated with other agencies such as the Department of Treasury. All these efforts focused on helping ensure that government interventions would respect and preserve competition, wherever possible. In circumstances where that was not possible, the DoJ helped agencies define the conditions under which free market principles would prevail again. This approach was used the first time during the Great Depression of the 1930s. The Government's response to the Depression initially favoured stability through industrial codes that set prices for certain goods over what was called "ruinous competition". This resulted in less output and higher prices for the American consumer. Eventually though, the United States changed course and began promoting competition. The DoJ highlighted that the US remained committed to promoting competition through every crisis. Competition during crisis is not ruinous, it is the best tool for safeguarding economic liberty and rebuilding economies. Whatever measures are necessary to address COVID-19, cooperation among governments, within governments and between governments and the private sector, one must undertake these efforts to preserve competition wherever possible.

The **Chairman** noted how other competition authorities might face more difficulties than the DoJ in advising the government, as being part of government can somehow help competition authority to ensure competition principles are reflected in the decision-making. Following this, the Chairman turned to the **Australian Competition and Consumer Commission (ACCC)** to hear from them how competition policy contributed to the recovery.

Firstly, Australia worked with the government in dealing with the immediate crisis, such as by participating in the supermarket taskforce and communications taskforce to ensure supply in ways that did not harm immediate or longer term competition. Secondly, the ACCC also worked on dealing with longer term issues arising from the crisis, for instance, by cooperating with the government's Covid-19 commission and different parts of the governments in specific sectors, such as aviation, to understand how to provide support without harming competition. Other sectors of particular interest were energy, finance, agriculture. Thirdly, the ACCC focused on the consumer side, using its misleading consumer powers to make sure that refunds were given by tour operators, travel agents, airlines. In terms of communication strategies, where demand was well in excess of supply, the ACCC helped explain publicly why prices had to increase to deflate the issue in the public mind.

The **Chairman** turned to the **European Commission** emphasizing that it has been very active in at least the three areas: one of them is the state aid framework, another was the ability to facilitate cooperation in some sectors which were directly related to the crisis and the third one was on the merger front. The Chairman invited the European Commission to discuss how these efforts involved deeper cooperation between DG Comp and other Director Generals of the European Commission.

The **European Commission** discussed the the State Aid Temporary Framework and the Temporary Framework Communications adopted. It also described the organisational aspects related to the Covid-19 crisis at the level of DG COMP/ECN and competition policy action to restore markets after the crisis.

The state aid temporary framework aims at defining the conditions through which EU Member States can provide liquidity support. It was announced that the EU was in the process of scrutinizing a 9-billion Euro recapitalization for Lufthansa and it comes with a number of conditions of course: acquisition ban, dividend ban and a clear timeline for the state aid to exit the company. Also, the EU created a loophole for tech startups because they typically have a low number of employees, but potentially huge needs in capital. The framework makes a difference between liquidity support and solvency support and it is the status of the firm that also makes a difference in terms of time horizon.

The European Commission also had to deal with cooperation among companies that would probably never have been allowed in normal times to try to overcome the risk of shortage of supply for essential goods and services. It decided to use the first comfort letter since the decentralisation reform of 2003 in order to authorize generic providers of certain types of medicines to enter into a cooperation that would involve a specialization agreement. Conditions were attached in order to minimize the long-term detrimental effect. The European Commission also created a “clearing house” in order to put together all the relevant skills for any and each problem as well as monitoring of markets in order to check that other firms are not taking advantage of the situation in order to raise prices or go for other types of exploitative behaviour.

As regards merger control, there is no real reason for changing merger rules or guidelines or the way mergers are assessed. It would be a mistake to sacrifice long-term competitive structure for alleged short-term benefits.

The **Chairman** turned to the **United Kingdom (UK)** in order to ask whether there was any reaction to the fact that competition authorities need to be part of the solution, including by taking a dynamic longer term view and looking at efficiencies in a broader sense, whenever possible and appropriate.

The UK discussed the need for competition authorities to take a more proactive advocacy role in times of crisis, in particular by i) ensuring that enforcement does not stand in the way of businesses co-operating for legitimate reasons; ii) advising government of pre-crisis distortions that can be removed to support a healthy recovery; and iii) advising government on how to minimise enduring distortions to competition being caused by a number of emergency policy measures.

It was noted that markets are likely to become more concentrated and that competition authorities can, and should, act as a counterweight to pressures from the vested interests that may cluster around such concentrations. In the longer term, countries will have to cope with the shift to online retail that is taking place, which may strengthen further the dominance of major digital platforms. In addition to this, levels of trade are going to remain subdued and maybe decline as coronavirus strengthens the political case for greater economic self-reliance, including through selective industrial strategy.

Another point is that coronavirus is likely to make competition authorities need to act more vigorously to help consumers who are vulnerable to scams. Among the several tools they need stronger consumer redress powers, tools to enable the public to better protect themselves. The response should not require ever more regulation, nor can competition authorities on their own with their existing legislative frameworks in most countries do most of the heavy lifting.

Finally, public distrust of markets is likely to develop. Industrial policy in many countries is going to become more interventionist and more protectionist. Industrial policy should have at its core the job of maintaining a pro-competitive economy. Competition needs to be in the bloodstream of other countries’ industrial strategies.

The **Chairman** raised the question what a pro-competitive industrial policy should be like. He turned to John Vickers and Janusz Ordovery to make a comment on what they had heard.

**Janusz Ordovery** noted that the Covid-19 crisis is a very new situation and, while many tasks can be endeavoured by competition authorities in response to the crisis, it is also important to be realistic about resources. Regarding price controls, he noted that there may be no indications of what the right prices are. The role of competition authorities might therefore be to educate the public and not to control prices, and to create a competitive environment in which prices can reach an equilibrium.

The **Chairman** turned to the other delegations which have had past experiences of facing a crisis and used competition to help face its challenges. The **Chairman** gave the floor to **Spain** first. Spain stated that they reacted very quickly to the crisis. A dedicated mailbox was set up at the end of March 2020 in the webpage of the Comisión Nacional de los Mercados y la Competencia (CNMC) with a double objective: first, to monitor markets linked to fighting COVID-19 and open a channel to receive complaints or information on undertakings on these markets; second, to offer guidance to undertakings that could engage in various forms of temporary collaboration.

Spain received many complaints and inquiries, and, as a consequence, opened investigations in several sectors, in financial and insurance services and in funeral and medical devices sectors. In the following months, the CNMC would also focus on monitoring that any allowed collaborations remained limited in time.

The current economic crisis is unique since along with the traditional economic uncertainties, there are important health uncertainties and therefore the CNMC response has to be different. The main lessons learned are, first, that competitive and open markets are key to boosting growth and accelerating economic recovery. Second, state aid does not necessarily lead to an unlevel playing field in the markets because of the differences in the level of aids among countries. Third, some voices are calling for regulation to protect national industries and reduce external dependency. However, de-globalization may also lead to efficiency losses: barriers to trade and protectionism at national and sub-national levels may compromise the economic recovery. Competition advocacy will play a major role to facilitate a rapid and sustainable economic recovery but, to do so, the competition authority has to have well-developed advocacy tools.

The **Chairman** highlighted that there is both the possibility of a reactive advocacy whenever competition is threatened, but also of a proactive advocacy which might operate by removing restrictive regulation. The Chairman turned to **Chinese Taipei** to know what lessons were learned from past crises which are applicable at the moment.

Chinese Taipei discussed the co-operation with governments and advocacy activities that competition authorities can take in relation to the crisis. The Chinese Taipei Fair Trade Commission (CTFTC) described the cooperation with other public policy makers in the 2003 SARS crisis in Chinese Taipei. Learning from the lessons of fighting the SARS epidemic, Chinese Taipei took early actions against COVID-19, first setting up the Central Epidemic Command Center (CECC) on 20 January 2020.

Chinese Taipei then discussed the Government's actions against COVID-19 and the CTFTC's cooperation with it. The Government adopted temporary measures to secure enough PPEs and other equipment to medical workers and it monitored markets of disease prevention supplies (such as alcohol) and consumer goods (such as toilet paper). It also deployed a big aid and relief programme, focusing on financial aid, employment assistance and tax breaks.

The CTFTC's main task, within the Unit of the Disease Prevention Supplies Preparation of the CECC, was to monitor prices of disease prevention supplies and take any necessary actions against hoarding or price gouging. It also issued press releases to ensure company-wide compliance with laws, provided advice in the sector regulators' meetings and coordinated with consumer protection agencies.

The Chairman turned to countries, which addressed pricing issues, starting with **Latvia**. Latvia stated that the Competition Council was involved in consulting government and other public entities, and providing advice about the importance of competition in long term. This included cooperating with the ministry of economy concerning its proposal to regulate the maximum prices to COVID-related goods, such as face masks and disinfectants. Traditionally competition authorities are not concerned with independent pricing policies in the market and maximum prices fixing is a contractual tool that does not create substantial competition related distortions. However, when a maximum price is applied in the whole market, that may create a focal point for pricing policies of competitors and also affect potential competition and innovation in the long term. Due to that, such policies need to be assessed carefully before being implemented in the legislation.

During the COVID-19 outbreak, demand rise, production shortages and restrictions on wholesale and retail price increases to many products applied by the government affected the market conditions. In competitive markets, maximum price regulation may be applied in exceptional cases when such measure stops unfair pricing and do not create wider market disruptions. In specific cases, the competition authority considered however that price regulation as a temporary measure would pose risks for new producers' incentives to enter the market. State aid to stimulate production was recommended as better option to ensure additional supplies and minimize shortage risks created by the import decline.

On the advocacy front, the Competition Council of Latvia participated in activities such as evaluation of government and ministerial legislative act drafts related to COVID-19 restrictions and state aid programs to entrepreneurs. For example, it was consulted on the following legislative acts: i) organisation of gambling activities during COVID-19; ii) legislation providing states authorities and entities to exempt undertakings, NGO, which activities are affected by emergency situation of Covid-19 from lease payments; iii) legislation to support green procurement to promote local food producers.

The **Chairman** turned to **Colombia**. Colombia noted that the existing competition rules allow the competition authority to act efficiently and diligently in the challenging situation. Columbia discussed its strategy regarding the cooperation with government and the enforcement and advocacy measures that were relevant to overcome the crisis.

The Superintendencia de Industria y Comercio (SIC) actively cooperated with the National Administrative Department of Statistics to continuously monitor the prices of essential and basic goods, drugs and medical devices to guarantee an appropriate and timely response from the Competition Authority. It also participated in working sessions alongside Ministries and other government bodies to jointly study the behaviour of the food and medical markets with the purpose of protecting competition in the national markets, facilitating the flow of foodstuffs or other essential products and avoid shortages. The SIC also cooperated with the Office of the Attorney General to share information to tackle, among others, speculation, price gouging, and anti-competitive behaviours in public procurement.

The SIC also announced it would thoroughly analyse any claims of failing firm defence by companies in the context of merger reviews. It will continue to adopt strong actions to keep the economy working and to stimulate and promote competition as a way to achieve a resilient economic recovery.

Following this, the **Chairman** gave the floor to **Brazil** that had issued some technical notes related to pricing issues during the crisis. **Brazil** stated that CADE had been playing an active role in evaluating policies and laws being discussed by the government in regard to competition. During the pandemic crisis, it was extremely important that the advocacy actions and related competition issues were reinforced before other government policy makers. Some bills were voted regarding temporary and emergency measures to face the economic consequences arising from this crisis. Concerning the healthcare industry, CADE was asked to provide an opinion regarding two bills under discussion in the Brazilian congress, which were intended to control prices by establishing maximum selling prices for products considered essential to fight COVID-19 during this pandemic. CADE issued its opinion pointing out that price freezing and establishing selling prices can both have a strong negative effect.

CADE also issued a technical opinion regarding interventions related to the price of liquefied petroleum gas. The state of Sao Paulo set a maximum resale price for it and other places intend to follow its lead should national congress pass the bill on this matter. Moreover, CADE issued an opinion assessing the potential effects of imposing discounts on contractors related to educational service, on account of COVID-19, as several such proposals emerge in different spheres of government.

CADE concluded that from the competition perspective, imposing uniform discounts could end up punishing companies subject to intense rivalry, which could, at the end of the day, result in increasing prices caused by pricing pressure once the pandemic is over.

The last example with respect to the multi-sided platform market was the opinion given by CADE regarding a bill discussed in the Brazilian congress aimed at regulating commissions fees and prices charged by app-based companies which provided transport service to individual passengers, delivery servers and others. Considering these cases, policy makers should be cautious in seeking solutions to counteract the effects of the pandemic to prevent the imposition of measures that could do more harm to society than benefit it from the competition viewpoint.

The **Chairman** turned to the **US DoJ** to discuss the business review letters that it has emitted. The DoJ engaged with the federal emergency management agency, or FEMA, and the department of health and human services, or HHS, through an expedited business review process. The DOJ's business review process generally allows the division to express the Division's enforcement intentions with respect to proposed conduct. Typically, this process takes several months, but as part of expedited business review process, DoJ committed to reviewing certain COVID-related requests within seven calendar days. Up until the roundtable, three such expedited business review letters had been issued. One, for instance, analyzed a partnership between HHS, FEMA and several medical supply distributors to source and distribute personal protective equipment from around the world to areas in the US with a significant need for these critical medical supplies. A second letter focused on a partnership between HHS, FEMA and a company distributing life-saving medication from the strategic national stockpile.

The **Chairman** gave the floor to the **Russian Federation** in order to hear about its experience in cooperation with other administrations in the context of the COVID crisis. The Russian Federation noted that, during the pandemic, the Federal Antimonopoly Service (FAS) tried to use soft law tools and cooperate closely with all stakeholders, sectoral regulators, law enforcement authorities and prosecutors. It also implemented various advocacy initiatives. The **Russian Federation** temporarily suspended the inspections to ease the situation in which enterprises found themselves. The only exceptions were inspections and dawn raids initiated for violations relating to protecting the life and health of people. The FAS continues monitoring retail prices of many goods, first of all to prevent

possible violations, identify cases and reasons of shortage of food, pharmaceuticals and medical goods, and prevent regional restrictions of the free movement of goods. This work is organized in close cooperation with 85 regional. The FAS also cooperated with the federal offices on the federal level, and with the ministry of industry and trade.

The **Chairman** turned to **UNCTAD**. UNCTAD stated that the organization gathered and disseminated information received from competition authorities all over the world during the crisis. There were three main points in common from all these measures and reactions. First, there was strong market monitoring and law enforcement, often linked with consumer protection. Second, there were the exemptions of several horizontal cooperation agreements - some for public interest objectives, for the regular supply of key consumer goods and services, and for R&D purposes. Third, there were a number of state aid packages, mostly in developed countries, to launch economic recovery, to maintain business functioning, to maintain employment. Of course, developing countries and countries and economies in transition will not necessarily have the same means as developed countries, and they should pay more attention to the needs of SMEs and small innovative businesses, but this is a very good opportunity to set goals that should allow for a more balanced and sustainable economic recovery. In the future, competition authorities will also need to pay increased attention to digital platforms' behaviours and to market concentration. From UNCTAD's point of view, this provides again a very good opportunity to highlight the importance of cooperation at national level, at regional level, at international level.

The **Chair** turned to **Canada** in order to hear its views on how to accelerate post pandemic economic recovery.

**Canada** stated that there was an opportunity to accelerate the recovery through pro-competitive policies and structural reform. Studies using OECD data suggest that Canada could boost productivity by up to 5% by easing regulatory barriers to competition and trade across the economy. Structural reforms had merits under normal times but even more so given the impacts of Covid-19 and the need to ensure a speedy and sustained post-pandemic recovery. In addition to a public submission to Parliament, central agencies and relevant government departments were reached to sensitize them to competition policy considerations, sharing high level principles that they could follow. The work on a competition assessment toolkit led by the Canadian Competition Bureau was accelerated. This is designed to help regulators apply a competition lens to existing and proposed regulations.

Finally, the **Chairman** turned to both **Janusz Ordover** and **John Vickers** to ask them whether they had any comments on what they heard so far.

**John Vickers** noted how important it is to distinguish situations of monopolisation, collusion or predatory behaviour. For all of these behaviours, competition authorities have the instruments and no fundamental market change is required. He also added that there might be difference in the activities of those authorities that are endowed with consumer policy powers and those that do not.

**Janusz Ordover** noted the benefit of the OECD work, and the EU and the US trying to disseminate the message of competition as a critical element of well-functioning economies. He added that the crisis would be really challenging for everyone, and it is good that the incentives to try to step in as regulators are in fact quite limited by competition agencies. There is a lot to learn about how to respond to the kind of shocks that are not part of the general equilibrium analysis or are not part of what economists often study. There is a systemic shock to supply and to demand as opposed to a one-sided shock. To try to forge

some kind of sound policy that will handle both sides at the same time is unfortunately, like the virus, quite novel.

The **Chairman** concluded by noting that when competition agencies allow legitimate cooperation between competitors they should be vigilant that this is only for a limited time. Now in many jurisdictions there is going to be pressure to continue those measures, and maybe it would be useful collectively to think about what the protocols should be for ending this type of cooperation once they have achieved their results but to make sure that they do not turn into permanent cartels. Further, competition authorities should consider how they can play a more dynamic advocacy role, particularly in a context where industrial policy is likely to become more important. Competition should not only be preserved, but in-built in the industrial policy.

The Chairman thanked the speakers and all participants and concluded the session.