

Merger assessment – brief comment

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Outline

- Status of implementing new measures/new methods in merger assessment in Norway
 - Focus on diversion ratios
- Some comments to Miguel's presentation

New methods

- Focus on estimating diversion ratios
- Gives us useful data to assess market definition and competitive pressure (harm and also remedies)
- We are currently conducting a market survey in the Norwegian newspaper market

You answered in the previous question that you would have chosen to subscribe to a different newspaper if Demokraten was not available. Which newspaper would you subscribed to?

		%
Fredrikstad Blad	19	50,0%
Sarpsborg Arbeiderblad	2	5,3%
Aftenposten	1	2,6%
Rakkestad Avis	0	0,0%
Another newspaper	1	2,6%
Do not know	15	39,5%
Total	38	100,0%

Comments I

- It is true that analytical tools have limitations, however most mergers that are analyzed pose unilateral effects and mergers in markets with differentiated products are common
- Diversion ratios have proven very helpful to us
 - will be used more frequently in the future

Comments II

- Two slides – for discussion:
- The second price increase of 5% is not profitable in case 2 because of the two other alternatives
- Clearly, it is important to include all relevant options when estimating the diversion ratio

Comments III

- Market definition more seen as a «helpful tool»
- More focus on the theories of harm and analyzing the effects
- Not just good for economists
- The analysis becomes more empirically based and linked to the actual case that is evaluated – better decisions